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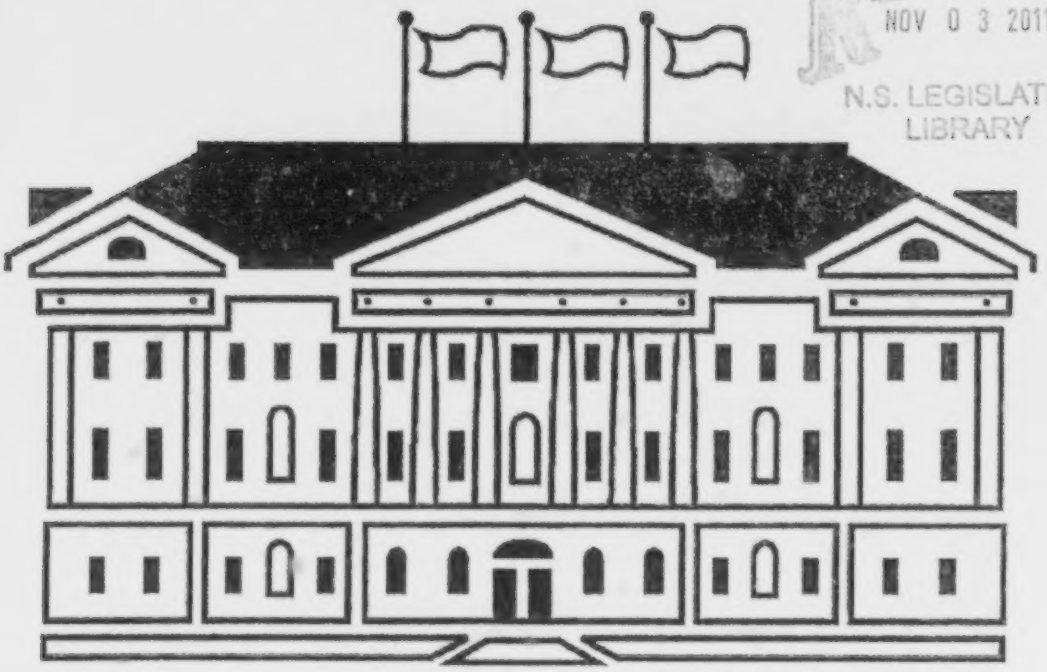

NOVA SCOTIA MLA PENSION REVIEW REPORT

Report of Panel appointed by the Speaker of the Nova Scotia House of Assembly on May 5, 2011

Chair: Honourable David W. Gruchy, Q.C.

Members: John A. Morash, C.A.

Ronald E. Smith, FCA

November 3, 2011

November 3, 2011

Honourable Gordie Gosse, Jr.

Speaker of the Nova Scotia House of Assembly

Province House – 1726 Hollis Street

Halifax, Nova Scotia

Honourable Speaker Gosse,

We have the honour to present herewith our report and recommendations regarding the allowances and benefits of retiring Members of the Nova Scotia House of Assembly.

Over the past six months we have met with many people who graciously gave of their time, on our schedule, to share their expertise on this topic. We express our thanks to Steven R. Wolff and John Ross of the Nova Scotia Pension Agency, Gordon D. Hebb, Q.C., Chief Legislative Counsel and Mel Bartlett, Partner, Morneau Shepell Limited and the many people in his office who worked tirelessly on this project.

We greatly appreciated the written submissions received from Nova Scotians and from former MLAs. Current and retired MLAs spoke with us candidly and privately of their experiences. This input helped guide us in our deliberations.

We are of the view that MLAs have a unique and demanding job in today's Nova Scotia and as a result their retirement package must be reasonable, fair and transparent. From this optic we have concluded that some adjustments should be made to the current arrangement.

The recommendations contained in this report are fair, reasonable and transparent. They are made following a thorough analysis of the data collected and presented by Morneau Shepell in their report to us. We believe that our recommendations are fair as they relate to current sitting MLAs, former MLAs and MLAs yet to be elected. Should the recommendations be implemented, we believe they will set a clear future course on the topic of the MLA retirement package for the women and men who will be elected for the first time at the next provincial general election as well as for those who will be re-elected.

Finally, we are most grateful for the administrative support received from the Clerk's Office in assisting us with our work. We especially thank Neil Ferguson, Chief Clerk and Annette M. Boucher, Q.C., Assistant Clerk, for their many hours dedicated to this project, hours over and above their regular work hours and a significant and complex project over and above their regular duties.

We are pleased to present this report to you within the time frame set out in our Terms of Reference and are of the view that we have accomplished our mandate and the task assigned to us. We hope that our recommendations will be of assistance and we thank you for the honour it has been for us to serve our Province in this limited manner.

Respectfully submitted,

Honourable David W. Gruchy, Q.C.

John A. Morash, C.A.

Ronald E. Smith, FCA

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INTRODUCTION

[1] Pension income is important to Canadians.

[2] Certain employers, including governments, provide a formal pension plan to their employees. In some cases, employees look for employers who offer pension plans when seeking employment in order to guarantee them a retirement income stream. Often, employees must supplement their employment pension plan with personal retirement savings. Today, there are also many employees who do not benefit from a work pension plan at all and who must save, if they are able to do so, for their retirement by Registered Retirement Savings Plans (RRSP) or some other type of savings plan in lieu of an employer pension plan. During an employee's working life that person will contribute to the Canada Pension Plan (CPP) and this fund becomes a source of pension income accessible as early as age sixty. Finally, most Canadians over the age of sixty-five receive Old Age Security (OAS) and, for those who qualify, an additional guaranteed income supplement (GIS). Depending on individual circumstances retirement income for Canadians comes from some combination of employment pension plan, CPP, individual RRSP savings, OAS and GIS.

[3] In 2007, Chief Justice J. Derek Green in his report to the Newfoundland and Labrador House of Assembly quoted Mercer Human Resources when referring to the interplay between employment pensions, government retirement income and individual savings:

> *"The structure of pensions in Canada is supported by three pillars, namely: 1. government programs, 2. employer programs, and 3. individual savings. Only when all three pillars are present in the correct proportions will the structure hold up. There is no doubt that for most Canadians all three components are required if adequate retirement incomes are going to be available to all".*[1]

[4] This report reviews one employment pension plan – the Nova Scotia Members of the Legislative Assembly (MLA) Pension Plan and the related retirement benefits available to a retiring MLA.

[5] The Terms of Reference appointing this Review Panel require a review of the Nova Scotia MLA Pension Plan and retirement benefits and the making of any recommendations for appropriate changes in view of the basic premise that Members of the Legislative Assembly should be entitled to retirement benefits at a fair and reasonable level to ensure that capable

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[1] Chief Justice J. Derek Green: "Rebuilding Confidence : The Report of the Review Commission on Constituency Allowances and Related matters", Newfoundland and Labrador, April 30, 2007, page 11-1.

individuals continue to offer themselves for public service.[2] The Terms of Reference do not include a review of MLA salaries or other remunerative allowances or benefits received by a Member while serving as an MLA.

[6] This report canvasses the unique career circumstances of an elected MLA, which include the fact that the average MLA political career is approximately seven years; the unexpected elements of political life and the interruption of and re-integration into life as it existed before political service. The report is divided into several sections, presented as follows: methodology; profile of a Nova Scotia Member of the House of Assembly; how a retired MLA is different from other retirees; a description of the current MLA retirement package; our recommendations and the basis on which they were formulated and finally supporting material presented in the form of appendices.

[7] The primary objective of the report is to recommend an MLA pension package that is fair and reasonable to the MLAs themselves, either retired, currently serving or yet to serve, all the while being understandable and transparent to the people of Nova Scotia.

[2] Appointment and Terms of Reference, N.S. MLA Pension Review Panel, May, 2011, Appendix A.

METHODOLOGY

[8] The Review Panel considered the following in arriving at its conclusions:

- Report of the actuarial consulting firm Morneau Shepell: "Report to the Nova Scotia MLA Pension Review Panel". At our request, the report provides a financial analysis and comparison of projected pension benefits, in current dollar values, of a series of ten possible MLA profiles including cross-country comparison bench markers;
- Submissions received from the members of the public, from interest groups, from current MLAs and from retired MLAs and from a family member of a deceased MLA;
- Research and analysis of data collection, reports and recommendations regarding Member pension reform in other Canadian jurisdictions;
- Nova Scotia reports of Commissions of Inquiry on Remuneration of Elected Provincial Officials since 1998.
- Materials prepared by the Nova Scotia Pension Agency regarding MLA pensions.
- Relevant legislative provisions in Nova Scotia.
- Nova Scotia House of Assembly Members' Manual – Compensation, Expenses and Constituency Administration, May 2011.

A. ACTUARY REPORT – MORNEAU SHEPELL

[9] The Review Panel retained the services of Mel Bartlett, F.S.A., C.I.A., Partner, Morneau Shepell, to conduct the survey of data and give an assessment of the group benefits and an estimation of value of transitional allowance programs and pension plans. For comparison purposes, benefits and pension plans for elected members in the provinces and territories of Canada were studied with additional information requested from New Brunswick, Saskatchewan, Newfoundland and Manitoba. The Review Panel was of the view that these four provinces are the most similar to Nova Scotia and thus requested more detailed information regarding them for comparison purposes.

[10] For the comparison of programs to be useful, the Review Panel asked the actuary to prepare present day dollar values for the retirement benefits payable to ten hypothetical MLA profiles.

[11] A copy of the Actuary Report is found at Appendix B.

B. SUBMISSIONS

[12] The Review Panel invited submissions in the following manner:

On June 9, 2011 the Speaker's Office issued a press release seeking submissions from the public either by e-mail or by regular mail. A copy of the press release is found at Appendix D. Fifty written submissions were received by e-mail and are found at Appendix E. Eleven written submissions were received by regular mail and are found at Appendix E.

Through the House Leaders, current sitting MLA caucus members were invited to request personal meetings with the Review Panel. Four MLAs as listed at Appendix F met in their personal capacities with the Review Panel. The political parties made no submissions.

In June 2011, the Nova Scotia Pension Agency mailed a letter from the Review Panel to all persons presently receiving MLA pensions, including surviving spouses and/or children inviting submissions and/or requests for meetings with the Review Panel. A copy of the letter is found at Appendix D. Six written responses were received in reply to the letter and are included at Appendix E. Five retired members and one family member of a deceased MLA listed at Appendix F met individually with the Review Panel and copies of submissions handed in at the meetings can be found at Appendix E.

C. REPORTS FROM OTHER CANADIAN JURISDICTIONS

[13] A series of documents touching upon MLA pensions across the country were considered by the Review Panel:

Report of the MLA Pension Review Panel in New Brunswick, March 15, 2011

Report of the Independent Commission to Review Members' Indemnities, Allowances, Expenses and Benefits, Nunavut, 2009

Pension Administration Report – Retiring Allowances Act and Supplementary Retiring Allowance Act, Nunavut Legislative Assembly, March 31, 2010

2010 Independent Commission Report on Review Of Members' Compensation and Benefits, Northwest Territories Legislative Assembly

MLA Total Compensation Study, Alberta, March 24, 1993

Rebuilding Confidence: The Report of the Review Commission on Constituency Allowances and Related Matters, Chapter 11 – Pensions, Newfoundland, Chief Justice J. Derek Green, April 30, 2009

Newfoundland House of Assembly Review of MHA Salaries, Allowances, Severance Payments and Pensions, October 2009

D. NOVA SCOTIA REPORTS OF COMMISSIONS OF INQUIRY ON REMUNERATION OF ELECTED OFFICIALS

[14] The following reports were considered by the Review Panel:

November 30, 1998, Commissioner Honourable Lorne O. Clarke

December 1, 1999, Commissioner Graham D. Walker, Q.C.

December 1, 2000, Commissioner Graham D. Walker, Q.C.

December 2003, Commissioner Arthur R. Donahoe, Q.C.

September 2006, Commissioners Honourable Barbara McDougall, Mr. Gordon Gillis and Mr. George McLellan

These documents can be consulted by the public in the Legislative Library at Province House. The electronic copies for 2003 and 2006 are found at: http://0-fs01.cito.gov.ns.ca.legcat.gov.ns.ca/deposit/b10013210.pdf

E. MATERIALS PREPARED BY THE NOVA SCOTIA PENSION AGENCY

[15] General information located on the NS Pension Agency website was reviewed by the Review Panel and the website location is found at: http://www.novascotiapension.ca/mlaplan. In addition, the NS Pension Agency met with the Review Panel and provided information which is found at Appendix G.

F. RELEVANT LEGISLATION IN NOVA SCOTIA

Public Service Superannuation Act, 1989, R.S.N.S., c. 376

Financial Measures (2010) Act, Acts of 2010, c. 3

Members' Retiring Allowance Act, 1989, R.S.N.S., c. 282

House of Assembly Act, 1989 R.S. (1992 Supplement), c. 1

G. NOVA SCOTIA HOUSE OF ASSEMBLY MEMBERS' MANUAL – COMPENSATION, EXPENSES AND CONSTITUENCY ADMINISTRATION

[16] The Manual is found in electronic form on the House of Assembly website at the following link: http://nslegislature.ca/pdfs/people/CompensationExpenses July2011.pdf. Information regarding benefits paid to retired Public Service employees is located on the website of the Public Service Commission, which is found at: http://www.gov.ns.ca/psc/v2/pdf/employeeCentre/benefits/benefitsBooklet.pdf.

PROFILE OF A NOVA SCOTIA MEMBER OF THE HOUSE OF ASSEMBLY

[17] The job of an elected MLA is different from all other occupations. In fact, it is necessary to examine the profile of a sitting MLA to appreciate fully the recommendations made in this report. These men and women earn their salaries and earn their retirement packages.

[18] The MLA's job description, as often portrayed in the media and public dialogue, is not always reflective of the actual work carried out by the individual MLAs. Public perception was described by Commissioner Arthur R. Donahoe, Q.C., and stated in his 2003 report:

> *"We live in a time when public regard for elected persons is very low."*[3]

A few years later, in 2006, the Nova Scotia Commission of Inquiry observed in its report:

> *"...few members of the public are fully aware of the demands on an MLA's time and abilities unless they have had direct interaction with their own MLA."*[4]

[19] The recent MLA expense scandal has again lowered the public opinion and esteem of MLAs. This negativity affects all MLAs. The alleged actions of a few have tainted the reputations of honourable and respectable Members.

[20] So then how does one set forth the "job description" of an MLA? There are really two "areas" of MLA work. The first is constituency work where the MLA is "on call" for their constituents twenty-four hours a day, seven days a week, whether the constituents supported them or not. The second is legislative work. Unfortunately this description does not make it easier to define the nature of the MLA workload. Much of that is determined by the MLA's personal contributions, the physical size of his or her constituency, travel back and forth to Halifax[5] and the role the Member takes on in the House of Assembly.

[21] In recent years, sittings of the House of Assembly have amounted to several months per year. Many of the sitting days involve evening sittings.

> *"All sessions require that MLAs are not just in attendance but have done sufficient homework that they are informed on all the issues under discussion. This is particularly*

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[3] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, December 2003, page 6.

[4] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 7.

[5] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 11.

true with regard to the House Committee work: every MLA who is not a member of Cabinet belongs to at least one legislative committee, ranging from public accounts to health to community services, post-secondary education and transportation. These can take considerable time. An MLA must reflect his or her constituents' concerns in legislative discussions, and also reflect back to the public the reason he or she supports or challenges the legislation. In attending the Legislature, many MLAs from around the province spend long periods of time away from home, frequently missing important family occasions.

It is perhaps less well understood that legislative work is only a small portion of what MLAs do. MLAs are expected – and rightly so – to serve the interests of their constituents: those who voted for them and those who did not. MLAs must anticipate demands for new roads or schools or environmental controls and work with government departments to produce results. They are expected – and rightly so – to attend Rotary lunches, charity auctions (and bid on the merchandise!), school Christmas concerts, supermarket openings and other ribbon cuttings, to be present at the funerals and weddings of people they may hardly know and to listen to demands, rational or irrational, by constituents whose grant applications have been rejected. They are usually double or even triple booked for most weekends in the constituency, having driven for several hours to return from Halifax late on Friday."[6]

[22] As pointed out by Commissioner Lorne O. Clarke, in his November 30, 1998 report, an MLA cannot have a second occupation.[7] This was further discussed in 2006:

"The workload of an MLA is too heavy and unpredictable to add another significant occupation. In addition, the potential for conflict of interest is very high and poses a degree of risk that most MLAs would be unwilling to accept. This is particularly, but not exclusively, applicable to Cabinet Ministers." [8]

[23] The Premier, Cabinet Ministers, the Speaker and Deputy Speaker have added job responsibilities stacked upon the MLA role, which together constitute nothing short of a heavy

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[6] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 7.

[7] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, November 30, 1998, page 3.

[8] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 11.

workload with great responsibility that cannot be readily compared to any occupation in the private sector.[9]

[24] Simply put, this is not the regular employment environment of other citizens.

> *"The demands and pressures on MLAs are quite different than those experienced in most forms of employment."*[10]

[25] The retired and current MLAs who met the Review Panel indicated that their reason for becoming elected members was their desire to get involved and to try to improve things for Nova Scotians. They run for elected office of their own free will, but few know the true extent of the demands that will be placed on them and their families. By extension, the life of the politician has an impact on the family.

> *"What is more difficult is the toll that political life takes on families. Children are occasionally jeered in the schoolyard over something their MLA parent said or did. If their mother chooses to run for office, they are seen as orphans no matter how well adjusted the family. Public criticism is difficult enough for the MLA personally, but it is doubly difficult for their families, who can only watch, with no means to defend themselves."*[11]

[26] So, what types of people become MLAs? In 2003, Commissioner Donahoe prepared a chart of occupations of MLAs prior to the most recent election. That chart disclosed that there were eleven business people, eight teachers/educators, seven lawyers, three media persons, two accountants, two police officers, two municipal government (elected officials), and one of each of the following occupations: school board (elected official), real estate agent, land surveyor, office manager, cartographer, farmer, fisherman, steel worker, doctor, paramedic, social worker, safety engineer, insurance broker, religious minister, technician, pilot and editor/researcher. In analyzing these data he stated:

> *"It should be noted that persons who were formerly engaged in business, the teaching profession, and the legal profession make up 50% of the membership. It should also be*

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[9] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, December 1, 2000, page 26.

[10] NS Commission on Remuneration of Elected Provincial Officials, Report, December 1, 2000, page 6.

[11] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 7.

noted that 13 members had experience as elected representatives at the municipal level (as well as another occupation) before being elected provincially."[12]

[27] An informal survey conducted by the Review Panel disclosed that in September 2011, although the occupations have changed slightly, the percentages referred to by Commissioner Donahoe remain roughly the same regarding the composition of the House of Assembly and its fifty-two elected members.

[28] The Review Panel has reviewed the changes during the past five years that have had financial impact on MLAs. The first in the series of cascading events was the effect of the January 1, 2006 MLA salary reform, which abolished the MLA yearly tax free allowance of seventeen thousand, six hundred and six dollars and moved to a base salary level. The Review Panel notes the result of this change was to significantly increase the amount upon which pension plan benefits would be calculated from that date forward. This resulted in setting high future pension benefits for MLAs who would retire after 2006 and creating a gap between that group and the group of pre-2006 pensions in pay.

[29] The second series of events with financial impacts occurred when a number of MLA allowances were eliminated or reduced in 2009 and 2010 as follows:

- Elimination of the tax free one thousand dollar per month non-designated discretionary allowance.
- Elimination of the tax free forty-five thousand dollar transition funding on losing seat in the House of Assembly.
- Reduced per diem and mileage allowances.
- Making future pension cost of living increases contingent on plan performance.
- Allowance for travel and postage now requires receipts.

[30] Collectively these recent changes amount to a very significant reduction in the funds available to MLAs.

[31] The bottom line is that the job of an MLA is demanding and carries significant responsibilities to the public.[13] The MLAs deserve to be compensated fairly for the work they do and this includes a fair and adequate pension package.

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[12] NS Commission on Remuneration of Elected Provincial Officials, Report, December 2003, page 13.

[32] In determining what is fair and reasonable, the Review Panel noted that it is important to consider where the Nova Scotia MLA retirement package sits as compared to the retirement package available to other provincially elected Members and how it compares to the Nova Scotia retired public servant package.

[13] Report of the MLA Pension Review Panel, New Brunswick, March 15, 2011, page 7.

RETIRED MLAs – HOW ARE THEY DIFFERENT?

[33] *"The objective of any pension plan is to provide members with sufficient income in retirement to replace most of their pre-retirement income, after taking into account pensions from other public sources and income from personal savings and investments."* [14]

[34] When most people retire it is following a long multi-year working life. A person normally has some control regarding the number of years worked and for which employer. However, that is not the case for an MLA. The MLA does not know how long his or her career as an elected politician will last. Commissioner Clarke wrote in 1998:

> *"The MLA is not assured of a long period of employment as is the case in most occupations. There is no career job security. The only guarantee of employment is until the next election. Continuation of employment is uncertain: it depends upon the will of the Electors. Whatever the length of service, the MLA who resigns or fails to be re-elected is usually confronted with lost job opportunities or at best must re-group and seek new employment. Some are able to return to his or her former professional or business occupation. They are few in number and are among the fortunate. The same case cannot be made for all members. This is one of the hazards of the occupation – the longer the lapse, the more difficult and costly is the return to private life from public service."*[15] These same themes were repeated in 2006, when it was stated: *"For obvious reasons there is no job security for an MLA: an election can bring a promising political career to an abrupt end. The transition to the private sector can be difficult, particularly for those MLAs whose party is out of power."*[16]

[35] The issue of job security is real for an MLA no matter how good a job he or she does or has done. In the 2007 Newfoundland study, it was stated:

> *"It could occur that an MHA who is performing adequately, or perhaps even above average, is not re-elected due to a change in the mood of the electorate or the "time to*

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[14] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, December 2000, page 53.

[15] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, November 30, 1998, page 6.

[16] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, September 2006, page 7.

change" syndrome. On the other hand, it is unlikely that a public servant, teacher or a member of the uniformed services would be dismissed in such circumstances." [17]

[36] Job insecurity every four years is not something most people worry about – however, it is a fact of life for elected Members.

> *"While it is a fact that other public employees also face the possibility of dismissal from their jobs, the experience has been that most enjoy a long tenure with their employer leading up to their retirement. This lack of long term job security raises the question as to what level of pension accrual rate should be fairly applied to account for this fact."* [18]

[37] An MLA effectively interrupts his or her career to become an elected Member. Several reports considered by the Review Panel along with submissions made by current and retired MLAs focus on the fact that the career interruption of MLAs is usually at a point in their lives when their careers are at their peak. Commissioner Donahoe stated:

> *"There must be adequate remuneration to allow a person to take a period out of a career or away from a business, at a time in their lives when their earning potential is at its highest, be able to maintain a standard of living at a level equivalent to that which one similarly qualified would maintain in the private sector, and be penalized as little as possible on return to private life."*[19]

[38] The retired MLAs who made submissions to the Review Panel frankly detailed the impact of the interruption on their careers when they tried to return to their pre-MLA work on completion of their elected duties. The Review Panel was surprised to hear and read this recurrent theme from short and long serving MLAs; from backbenchers and cabinet ministers; and from women and men. In many cases, the years served as an MLA either of the governing or opposition parties, did not really serve as "relevant past experience" when attempting to re-integrate into the work force in their post-MLA life. For many, it was not an easy transition and it took a long time to return to the pre-MLA career level that they had reached before entering elected life. For some they were simply unable to return to the pre-MLA career at any level.

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[17] Chief Justice J. Derek Green:"Rebuilding Confidence: The Report of the Review Commission on Constituency Allowances and Related Matters, Newfoundland, April 30, 2007, page 11-5.

[18] Newfoundland and Labrador House of Assembly Review of: MHA Salaries, Allowances, Severance Payments and Pensions, October 2009, page 24.

[19] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, December 2003, page 6.

[39] While career change or interruption is a common occurrence, it is a significant issue for MLAs. In the early 1990's, a study in Alberta noted:

> *"Although a typical employee in Canada will change employers every 7.6 years, one might suspect that many stay in the same field. Service as an MLA is clearly an interruption in this regard. When MLAs are elected they leave their careers, serve for some period of time, and then return to the public or private sector. For some people, particularly professionals, this represents an interruption in an ongoing career. At the time they return, it may be more difficult for them to become re-employed, both because they will have a name in the public domain (with potential positive or negative impact), and because they will have been "out of touch" with progress in their profession. Furthermore, many of these people will have been out of their profession during their peak earning years."* [20]

[40] For these reasons an appropriate transitional program is important to assist the MLAs in returning to their pre-MLA employment status and this has been recognized by making available a transitional allowance to MLAs upon ceasing to be an elected official. Commissioner Clarke stated:

> *"...upon ceasing to be a member, for whatever reason, separation can be traumatic and finding gainful employment can be difficult. The work of the MLA has become so all consuming that after a period of time, former sources of employment no longer exist. The member who has served for a number of years is that much older. The result is that between the ageing process and the new technology the opportunities available in the workplace are limited and sometimes non existent. A period of adjustment is necessary. A reasonable measure of compensation is justified." "The allowance is necessary...to help bridge the transition from one occupation to another."*[21]
>
> *"Recognition for service given is a common practice. Examples include industry, the corporate community, the teaching profession and the public service. Many years ago*

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[20] MLA Total Compensation Study, Alberta – March 24, 1993, page 21.

[21] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, November 30, 1998, page 46.

the Legislature saw fit to do the same for Members through the provisions of the House of Assembly Act." [22]

[22] NS Commission of Inquiry on the Remuneration of Elected Provincial Officials, Report, November 30, 1998, page 46.

THE CURRENT MLA RETIREMENT PACKAGE

[41] The current Nova Scotia MLA retirement package consists of a defined benefit pension, a medical-health plan, life insurance coverage and a transitional allowance. Some features of the package are similar to those of retired civil servants under the Public Service Superannuation Plan.

DEFINED BENEFIT PENSION

[42] The Nova Scotia MLA pension plan is a defined benefit plan.

> *"Under this type of plan, the benefit at retirement is calculated by means of a formula linked to salary and years of membership in the plan".*[23]

[43] The elected Members in seven Provinces, three Territories and the Federal Government MPs all participate in a defined benefit pension plan. In the remainder of the country, there are two Provinces with defined contribution pension plans and one Province makes RRSP contributions on behalf of its MLAs and has replaced its Member plan with a generous transitional allowance in place.[24]

Contributions

[44] At present and since 1990, Nova Scotia MLAs contribute ten percent of their annual salary as their pension contributions.[25] These contributions are made for a maximum period of fifteen years during which they are sitting Members.[26] Salary means the basic MLA salary, which currently is eighty-six thousand six hundred and nineteen dollars, plus a supplemental amount for Members who are the Premier, members of the Executive Council (Cabinet), the Speaker, the Deputy Speaker, the Leader of the Opposition and the Leader of a recognized party.

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[23] NS Commission of Inquiry on Remuneration of Elected Provincial Officials, Report, November 30, 1998, page 55.

[24] Report of the MLA Pension Review Panel, New Brunswick, March 15, 2011, page 8.

[25] Section 6, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

[26] Section 7, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

Eligibility Requirements

[45] For a pension to be payable, an MLA must meet certain eligibility requirements. The MLA must have served for at least five years during two or more General Assemblies (a new Assembly commences after each general election); must have ceased to be a Member; and must have attained the age of fifty-five, become totally disabled or died.[27] A reduced pension is available for a Member who meets the eligibility criteria, and has attained forty-five years of age but not fifty-five years of age.[28]

[46] One of the critical eligibility elements is years of service. In the event a Member has not served the required time, the Member's contributions are refunded.[29]

[47] When the eligibility criteria are met, the MLA pension is paid for the lifetime of the Member and, upon the death of the retired Member, a reduced pension is paid to the surviving spouse and/or children.[30] The only exception to this is where a Member is expelled by and from the House of Assembly. Should such an event occur, the Member will not receive an MLA pension, but is entitled to have his or her pension contributions plus interest refunded.[31]

[48] The Panel received a large number of submissions from the public suggesting that when a Member is accused or found guilty of an offence, that Member should have the MLA pension taken away. A few suggested that in these cases the Member could, at most, be entitled to the return of his or her pension contributions. Legal precedent in Canada has determined that in all cases, a pension is earned based on the time of service or employment. Elected Members are no different and are, like others, entitled to a pension where the pension plan eligibility criteria are met. The Panel cannot recommend revoking an MLA pension as to do so would be contrary to Canadian law.

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[27] Section 11, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

[28] Section 19, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

[29] Section 14, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

[30] Sections 11 and 13, ***Members' Retiring Allowances Act,*** 1989 R.S.N.S., c. 282

[31] Section 16(3), ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

MLA Pension

[49] A feature of the defined benefit pension, as stated above, is the payment of the pension based on a formula. The formula for the payment of the Nova Scotia MLA pension is: five percent multiplied by the years of service (to a maximum of fifteen years) as an MLA multiplied by the three year highest average salary. The pension is paid for life and in no case will it exceed seventy-five per cent of the average salary during the highest three years as an MLA.[32]

Canada Pension Plan Benefits

[50] When Canada Pension Plan (CPP) benefits are paid to the retired MLA who is in receipt of a Member pension, the full CPP amount is in addition to the pension amount.[33] This differs from the Public Service Superannuation Plan where a CPP bridge benefit is paid in addition to the pension until age sixty-five. This feature of the MLA plan is similar to Member plans in most Canadian jurisdictions.

Survivor Benefits

[51] If a Member elected after April 6, 2010, dies while in receipt of an MLA pension, a surviving spouse is entitled to sixty per cent of the pension for life. For a Member elected prior to April 6, 2010, a surviving spouse was entitled to sixty-six and two-thirds percent of the pension. If the Member leaves a surviving spouse and children, the children are entitled to receive ten per cent of the pension until age eighteen or age twenty-five if at a post secondary institution. When the surviving spouse dies, his or her pension is paid to the children while under the age of eighteen or twenty-five if at a post secondary institution.[34]

Cost of Living Adjustment

[52] Legislative changes effective December 31, 2010, impose the same cost of living adjustments to the MLA Pension Plan as to the Nova Scotia Public Service Superannuation Plan. Guaranteed cost of living adjustments for pensions after January 1, 2015, have been eliminated. Further details of the cost of living adjustments are found at page B-15 of the Morneau Shepell report found at Appendix B of this report. Cost-of-living increases for pensions in pay at December 31, 2010, will be 1.25 per cent on the 1st of January 2012, 2013, 2014 and 2015. The cost of living increase for any pension that goes into pay after January 1, 2011 and before

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[32] Section 12, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

[33] Nova Scotia Pension Agency website – MLA Plan.

[34] Section 13, ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282

December 31, 2014, will be 1.25 percent – this percentage will be adjusted proportionately to the part of the calendar year when the pension goes into pay. The cost-of-living increases for 2016-2020 will be declared by the Trustee of the pension plan based on the advice of the plan's actuary and will be reset every five years.[35] As set out at pages B-15 and B-16 of the actuarial report, found at Appendix B, the modifications to future cost of living provisions may have significant negative impact on MLA pensions which will be paid in the future.

MEDICAL HEALTH PLAN

[53] While serving as an MLA, the Member participates in the Nova Scotia Public Service health-dental plan. As a retired MLA in receipt of a Member pension, the Member participates in the plan for Nova Scotia Retired Employees of the Public Service.[36]

LIFE INSURANCE

[54] All MLAs qualify for life insurance for a base amount of one hundred thousand dollars. For members of the Executive Council, the Premier, the Speaker, the Deputy Speaker, the Leader of the Opposition and the Leader of a recognized party, the base amount of life insurance coverage is two hundred thousand dollars. While sitting, the MLA premium cost is shared on a fifty-fifty basis between the Province and the MLA. This life insurance coverage can continue when an MLA is retired; however, the premium costs on retirement are solely the responsibility of the MLA. Additional coverage is available and the additional premiums are solely paid by the Member.

TRANSITIONAL ALLOWANCE

[55] A transitional allowance is payable to an MLA who is a Member immediately before the House is dissolved or ends with the passage of time, **and** who does not become a Member of the next following House because of either defeat at the polls, because the MLA does not re-offer, or because the MLA resigns or dies. The formula for the calculation of the allowance is:

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[35] Subsection 12(4) and (5), ***Members' Retiring Allowances Act***, 1989 R.S.N.S., c. 282 and Sections 19A, 19B, 19C, 19D, 19E and 19F of the ***Public Service Superannuation Act***, 1989 R.S.N.S., c.377.

[36] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-8 at Appendix B to this report.

years of service as an MLA x 0.067 x annual salary in place when that person ceased to be a member. The allowance will be no less than twenty-five per cent and no more than one hundred per cent of the annual Member salary at the moment he or she ceased to be a Member.[37] In this case the salary component of the calculation is limited to the basic MLA salary only.

[56] Transitional allowances are paid by all the provincial and territorial jurisdictions and federally by the House of Commons according to various different formulas as set out at pages B-25 and B-26 of the Morneau Shepell report at Appendix B of this report.

[37] Section 40, ***House of Assembly Act***, 1989 R.S.N.S., c.1.

RECOMMENDATIONS

[57] The Review Panel recommendations and the factors considered in arriving at the recommendations are set out below. After careful examination of the present day MLA Pension Plan and having considered the Nova Scotia Public Service Superannuation Plan and similar Member plans in other jurisdictions as comparators, the Review Panel concludes that some changes are appropriate. The Review Panel recommends that the proposed recommendations should not apply retroactively.

1) **The MLA Pension Plan should remain a defined benefit pension plan.**

2) **The MLA pension contribution rate should remain at ten percent of the annual salary. Where the MLA is the Premier, member of the Executive Council (Cabinet), the Speaker, the Deputy Speaker, the Leader of the Opposition and the Leader of a recognized party, the MLA pension should continue to be based on the annual base salary and on the supplemental salary paid to the MLA to occupy these additional job functions.**

[58] The Review Panel has considered whether the MLA Pension Plan should be changed from a defined benefit pension plan to a defined contribution pension plan, and recommends no such change. The Review Panel considered the impact of the MLA's occupation, including lack of privacy, difficulty re-entering the work force, and the lack of job security, on the pension benefit itself and concludes that a defined benefit pension plan is the most equitable manner to balance these considerations.

[59] The Review Panel recommends the continuation of the MLA defined benefit pension plan at a ten percent of salary contribution rate by the MLA. However, some changes are recommended to the current plan to bring it more into line with similar Member pension plans in other jurisdictions.

[60] As set out above, the job of an MLA is a very demanding job which is difficult to quantify or to describe and which cannot be compared easily to another occupation. This report sets out in detail the uniqueness of the job. The Review Panel re-states the view that the impacts described above and the lack of security are real and must be balanced by providing the MLA

with the certainty of a pension benefit. The only means to offer this certainty is to have a defined benefit pension plan for MLAs as do seven provinces, the three territories and the federal government.

3) **The current MLA Pension Plan accrual rate should be reduced from its current level of five percent per year for fifteen years to three and one half percent per year for twenty years. The effect of this recommendation will reduce the current maximum pension accrual from seventy-five percent to seventy percent.**

[61] The following from the Morneau Shepell report captures the Review Panel's rationale for this recommendation:

> *"With respect to Pensions and Other Retirement Programs, the changes to indexing and other provisions that were implemented on April 6, 2010, have significantly reduced the estimated value of the Nova Scotia MLA pension benefit. For an average MLA, the projected value of the pension is now 10% - 20% of annual pay lower than it was prior to the 2010 changes.*
>
> *Even after the 2010 changes, the Nova Scotia MLA Pension Plan remains one of the most generous MLA pension programs in the country, primarily due to the annual benefit accrual rate of 5% for each year of service (most other defined benefit programs have an annual accrual rate of between 3% and 4% for each year of service)"*[38]

[62] The Review Panel is of the view that the current five percent accrual rate is too high and recommends the accrual rate be reduced to three and one half percent. This is in keeping with other provincial and territorial plans in Canada. [39]

[63] Additionally the Review Panel recommends that the maximum number of eligible service years be increased from fifteen to twenty years. By increasing the number of years of service required to reach the maximum pension, Nova Scotia approaches the national average

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[38] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-4 at Appendix B to this report.

[39] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-35 at Appendix B to this report

of maximum service time for Member pensions. Presently five provinces and one territory have maximum service requirements above fifteen years.

[64] In recommending a decrease in the accrual rate and an increase in the maximum years of service, the Review Panel recognizes that the end effect will be to reduce the current maximum pension accrual from seventy-five percent to seventy percent, which is the maximum pension accrual for Nova Scotia Public Service employees.

4) **The current MLA Pension Plan eligibility criteria should be eliminated and replaced with the following:**

- **An MLA is eligible for pension entitlement on an unreduced basis at the age of fifty-five years provided the MLA has at least two years of service as an MLA. The formula for the payment of the pension will be three and one half percent x years of service as an MLA x three year highest average salary.**

- **An MLA may elect to take a pension between the ages of fifty and fifty-five years of age with a minimum of two years of service as an MLA. In such event the pension is reduced by one-half of one percent for each month by which the retiring MLA is younger than fifty-five years of age.**

[65] The present MLA Pension Plan requires an MLA to serve for at least five years during two or more General Assemblies for the vesting of pension benefits. Notwithstanding the fact that five years is in the mid-range of all vesting periods across the provincial and territorial Members' plans in Canada, it is important to note that there are five jurisdictions that have lower vesting periods and range from "immediately" to one year vesting periods. [40] The Review Panel notes that in recent times the reality is that many MLAs may only be elected and serve one term which can last four years or less. The fact is that the nature of the job of an MLA and the sacrifices made are the same for those who serve either one or several terms. By

[40] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-35 at Appendix B to this report.

recognizing this reality as the cornerstone of the unique MLA circumstances the Review Panel recommends that the vesting period be reduced from five years to two years, which is the same vesting period for the Nova Scotia Public Service Superannuation Plan.

[66] The current MLA pension plan permits MLAs to access their pensions on a reduced basis at age forty-five. With the exception of the Northwest Territories and Nunavut, forty-five is the earliest age amongst all the jurisdictions in Canada for accessing a reduced Member pension.[41] Pursuant to the Nova Scotia Public Service Superannuation Plan the earliest age to access a reduced pension is at fifty-five years. The Review Panel is of the view that forty-five years of age is too young an age to access a reduced pension. Additionally, forty-five years of age is not in keeping with the national norm. However, the Review Panel recognizes that where a person is elected at a young age and is faced with retirement at also a relatively young age due to inability to re-integrate into the work force after serving as an MLA, that MLA should be able to access the MLA pension. Therefore, the Review Panel recommends that the MLA pension be accessible on a reduced basis at age fifty.

5) **The changes recommended in numbers three and four should be effective as of the date of the next provincial general election. All provisions as written above should fully apply for first time elected MLAs but benefits earned for past service by sitting MLAs should not be retroactively modified. For clarity, this means that currently sitting MLAs as of the date of the next provincial general election would continue to be eligible for pension benefits as presently in effect whether they run for elected office in the next provincial general election or not. Further, the existing vesting provisions of a minimum of five years of service during two or more General Assemblies should continue to apply for service prior to the next provincial general election. However, for service after the next provincial general election these MLAs would be subject to the new accrual rate of three and one-half percent per year from that date forward. The reduced three and one-half percent accrual rate would apply for all service after the next provincial general election to a maximum pension accrual of seventy-five percent, thus the number of years to reach the maximum would increase above the current fifteen years.**

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[41] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-35 at Appendix B to this report.

[67] The Review Panel recommends that these proposed changes be applied in the fairest manner possible recognizing that current MLAs and former MLAs whose pensions are not yet in pay, entered elected office based on the knowledge of the pension conditions and information at the time. To suddenly change those rules retroactively would be unfair, unreasonable and inappropriate. In fact, a number of submissions to the Review Panel suggested any changes to the MLA pension plan should apply on a "go forward basis". As a result, the Review Panel recommends that these changes apply for the first time to MLAs elected at the first provincial general election after the date of this report. Benefits earned for past service by sitting MLAs should not be retroactively modified.

6) **An MLA pensioner who is sixty-five years of age or more at the date of this report and who has never divided or split his or her pension, should be granted a monthly pension of no less than one thousand dollars per month. In cases where the pensioner has died, but if alive would be sixty-five years of age or more and has left a surviving spouse, that person should be granted a monthly pension of no less than one thousand dollars per month. We recommend that this situation be reviewed periodically to ensure fairness in the future changing circumstances.**

[68] During its work the Review Panel became aware of eleven older retired MLAs, or their surviving spouses, whose pensions are below one thousand dollars per month. These MLAs had served when their position was considered to be part-time and salaries were quite small.

[69] These MLAs served the people of Nova Scotia in the same fashion as current MLAs serve their constituents but perhaps with less office support and formal assistance, but rather more family help.[42]

[70] The Review Panel is of the view that it is fair and necessary to ensure that, this small group of persons, receive an adequate pension. The Review Panel also believes that this particular situation should be reviewed periodically in the future to ensure that it does not re-occur or if it does, remedial action should be taken to ensure a fair pension to these individuals.

[42] Submission of Barbara MacDonald dated September 15, 2011, found at page E-3-9 at Appendix E of this report.

7) **Effective immediately, the current calculation formula for the MLA transitional allowance should be replaced with the following: Upon ceasing to be a Member, he or she shall be entitled to a transitional allowance in accordance with the following formula: that person's years of service (including monthly portions thereof) as an MLA multiplied by 1/12 the annual MLA base salary then in place. In no case shall the amount of the allowance be less than three months' salary or greater than twelve months' salary.**

[71] The Review Panel noted that all submissions received from retired and current MLAs spoke to the challenges of returning to the work force once their MLA career was finished. There was nothing mentioned in these submissions that was different than what was written before in the many reports on MLA pension plans and considered by the Review Panel. For individuals such as lawyers, doctors, accountants, self-employed business people, etc, this interruption of their pre-MLA careers may mean that during the time they were MLAs, professional standards or requirements have changed and the MLA's qualifications are no longer up to date. Not being up to date may mean that exams will need to be written, new licenses obtained, upgrading courses taken. The challenges of rebuilding a clientele is real, as without clients there is no work. MLAs require assistance to re-integrate into the work force.

[72] This is not a foreign concept. In fact transitional allowances are offered in many occupations to departing employees:

> *"The principle of severance payment for employees following work is to provide a financial bridge to alternative employment."* [43]

[73] As the Nova Scotia allowance is slightly below the Canadian median[44], the Review Panel recommends the continuation of the MLA transitional allowance with an amendment to bring the allowance in line with those offered across the country. [45] As stated in the recent New

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[43] Newfoundland and Labrador House of Assembly Review of MHA Salaries, Allowances, Severance Payments and Pensions, October 2009, page 26.

[44] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B-3 at Appendix B to this report.

[45] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, pages B-27 to 34 at Appendix B to this report.

Brunswick report after as little as one term in elected office an allowance is necessary for the sudden loss of MLA employment. [46]

8) A former MLA should have access to retiring or career counseling services to a maximum value of seven thousand five hundred dollars.

[74] *"In addition to a transition allowance, it is customary in most provinces to allow an amount for retraining or career counseling."* [47]

[75] The Review Panel found the personal experiences regarding return to the workforce of retired MLAs very compelling. As stated elsewhere in this report, the difficult challenges to employment re-integration are real. This reality exists for all elected Members across all the jurisdictions in this country when they attempt to obtain employment after political life. *"It has also been suggested that the prospects for an elected official to obtain employment after politics may be minimal. This is especially the case where an elected official on the government side is defeated at the same time that there is a change in government".* [48]

[76] As a result, four jurisdictions, Nunavut, British Columbia, Ontario and New Brunswick, in addition to a transitional allowance offer an assistance package to a maximum of five thousand to twelve thousand dollars to assist MLAs re-establish themselves in private life or to prepare for retirement. The purpose of the package is to ease the transition with access to relevant helpful tools: *"This amount permits former members to update themselves in their former occupation or to re-train in a somewhat similar or new occupation."* [49]

[77] In order to be effective and helpful, the Review Panel is of the view that the services should be accessed within twelve months of the MLA ceasing to hold office. The purpose of this benefit is to allow the former MLA to access services appropriate to their particular situation to transition and re-enter the work force or to fully retire. The assistance should include: work force re-integration counseling; courses directly related to employment; career

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[46] Report of the MLA Pension Review Panel, New Brunswick, March 15, 2011, page 23.

[47] Report of the MLA Pension Review Panel, New Brunswick, March 15, 2011, page 22.

[48] Newfoundland and Labrador House of Assembly Review of: MHA Salaries, Allowances, Severance Payments and Pensions, October 2009, page 27.

[49] Report of the MLA Pension Review Panel, New Brunswick, March 15, 2011, page 22.

counseling; career transition services; job search skills; defining career goals; preparing résumés; effective job interviewing skills; professional assistance on how to start a business including developing a business plan; retirement planning for both financial and lifestyle issues and professional financial counseling, particularly regarding transitional allowances, pension and income tax implications.

[78] The funds would not to be given to the individual MLA, but rather, the MLA would be required to submit an application to the Speaker for approval of the service provider and of the service sought. Upon the Speaker's approval and upon the services having been provided in a manner satisfactory to the MLA and to the Speaker, the service provider would be paid directly by the Speaker.

9) The current medical health plan and life insurance benefits available to retired MLAs should remain unchanged.

[79] The Review Panel is of the view that the medical-health plan and life insurance in place for retired MLAs are adequate and fair and are very similar to the benefits available to retired civil servants. [50] Therefore, no changes are recommended.

10) The Government should consider the advisability of creating an identifiable secured pool of assets as a separate fund for the MLA Pension Plan rather than list the MLA Pension Plan Account as a liability against the General Revenue Fund of the Province.

[80] The material provided by the Nova Scotia Pension Agency, found at Appendix G of this report, shows that the MLA Pension Plan is accounted for as a liability against the Province's General Revenue Fund. There is no separate fund of assets administered by a Trustee from which the MLA pensions are paid. The Review Panel believes there may be a financial advantage to the Province in having a separate fund of assets. This has not been explored in detail. The Government may wish to explore the advisability of examining this issue further.

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[50] Report to the Nova Scotia MLA Pension Review Panel, Morneau Shepell, October 2011, page B- 3 at Appendix B to this report.

11) The Minister of Finance should be named as the Trustee of the MLA Pension Plan.

[81] At present there is no Trustee named for the MLA Pension Plan and the legislation does not provide for a Trustee. The Minister of Finance has responsibility for the finances and the administration of the MLA Pension Plan and the Nova Scotia Pension Agency administers the Plan on behalf of the Government. The Review Panel has been informed that it is common in other jurisdictions to have the Minister of Finance named as the Trustee for the Member plans. The Review Panel also believes that there is no conflict of interest in having the Minister of Finance named as Trustee.

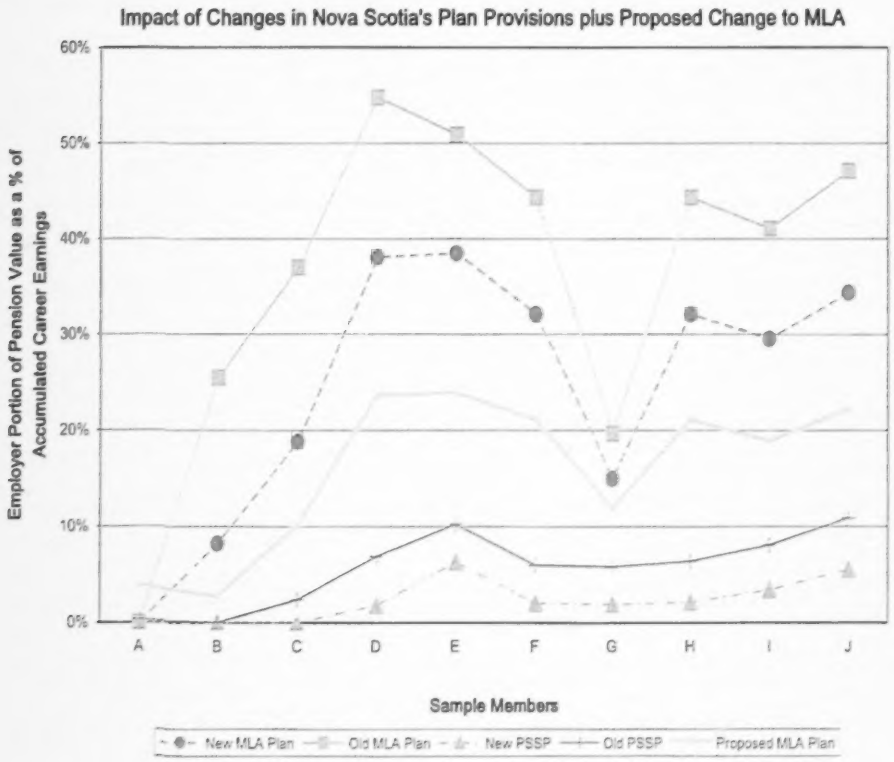
[82] For these reasons the Review Panel recommends that the Minister of Finance be named as Trustee of the MLA Pension Plan.

12) The legislative changes required to the *Members' Retiring Allowances Act* and the *House of Assembly Act* to give effect to these recommendations and to comply with Canada Revenue Agency requirements, should be undertaken as soon as possible.

[83] Should the Nova Scotia government adopt the recommendations of the Review Panel, all required legislative changes should be undertaken as soon as possible.

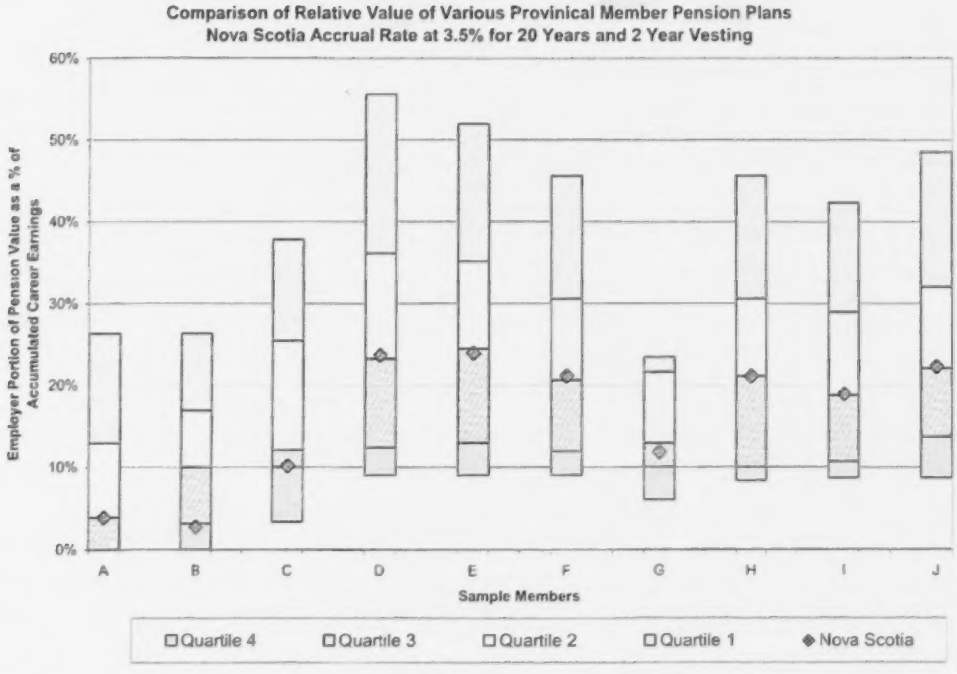
IMPACT OF FOREGOING RECOMMENDATIONS

[84] Prior to summarizing the recommendations, it is helpful to visualize the effect of the recommendations contained in this report. It is clear to the Review Panel that MLA pensions are and should continue to be, for all the reasons set out in this report, more generous than pensions under the Nova Scotia Public Service Superannuation Plan. However, should the Review Panel recommendations be accepted, overall, as demonstrated in the chart below, the cost of the MLA Pension Plan will be decreased with the exception of the sample Member A who is the younger Member elected at age thirty-four and who served for a short one term of four years. Should the recommendations be adopted, the cost of the MLA Pension Plan as proposed by the Review Panel and as shown below, will be significantly less than the "old" (prior to the April 6, 2010 cost of living adjustments) MLA Pension Plan and also less than the "new"(after the April 6, 2010 cost of living adjustments) MLA Pension Plan.



[85] Should the recommendations of the Review Panel be accepted, the result for the MLA is a fair one that places Nova Scotia in the median of Member pension plans across Canada. The illustration below compares to the chart at page B-19 of the Morneau Shepell report found at Appendix B to this report. The latter shows by the diamond shaped symbol the standing of the current MLA Pension Plan, which for the most part is situated in the lower section of the first quartile.

[86] With the changes to the MLA Pension Plan, the plan's position as shown in the chart below moves the value of the Nova Scotia plan closer to the middle range across Canada than the current MLA Pension Plan.



SUMMARY OF RECOMMENDATIONS

1. The MLA Pension Plan should remain a defined benefit pension plan.

2. The MLA pension contribution rate should remain at ten percent of the annual salary. Where the MLA is the Premier, member of the Executive Council (Cabinet), the Speaker, the Deputy Speaker, the Leader of the Opposition and the Leader of a recognized party, the MLA pension should continue to be based on the annual base salary and on the supplemental salary paid to the MLA to occupy these additional job functions.

3. The current MLA Pension Plan accrual rate should be reduced from its current level of five percent per year for fifteen years to three and one half percent per year for twenty years. The effect of this recommendation will reduce the current maximum pension accrual from seventy-five percent to seventy percent.

4. The current MLA Pension Plan eligibility criteria should be eliminated and replaced with the following:

    - An MLA is eligible for pension entitlement on an unreduced basis at the age of fifty-five years provided the MLA has at least two years of service as an MLA. The formula for the payment of the pension will be three and one half percent x years of service as an MLA x three year highest average salary.

    - An MLA may elect to take a pension between the ages of fifty and fifty-five years of age with a minimum of two years of service as an MLA. In such event the pension is reduced by one-half of one percent for each month by which the retiring MLA is younger than fifty-five years of age.

5. The changes recommended in numbers three and four should be effective as of the date of the next provincial general election. All provisions as written above should fully apply for first time elected MLAs but benefits earned for past service by sitting MLAs should not be retroactively modified. For clarity, this means that currently

sitting MLAs as of the date of the next provincial general election would continue to be eligible for pension benefits as presently in effect whether they run for elected office in the next provincial general election or not. Further, the existing vesting provisions of a minimum of five years of service during two or more General Assemblies should continue to apply for service prior to the next provincial general election. However, for service after the next provincial general election these MLAs would be subject to the new accrual rate of three and one-half percent per year from that date forward. The reduced three and one-half percent accrual rate would apply for all service after the next provincial general election to a maximum pension accrual of seventy-five percent, thus the number of years to reach the maximum would increase above the current fifteen years.

6. An MLA pensioner who is sixty-five years of age or more at the date of this report and who has never divided or split his or her pension, should be granted a monthly pension of no less than one thousand dollars per month. In cases where the pensioner has died, but if alive would be sixty-five years of age or more and has left a surviving spouse, that person should be granted a monthly pension of no less than one thousand dollars per month. We recommend that this situation be reviewed periodically to ensure fairness in the future changing circumstances.

7. Effective immediately, the current calculation formula for the MLA transitional allowance should be replaced with the following: Upon ceasing to be a Member, he or she shall be entitled to a transitional allowance in accordance with the following formula: that person's years of service (including monthly portions thereof) as an MLA multiplied by 1/12 the annual MLA base salary then in place. In no case shall the amount of the allowance be less than three months' salary or greater than twelve months' salary.

8. A former MLA should have access to retiring or career counseling services to a maximum value of seven thousand five hundred dollars.

9. The current medical health plan and life insurance benefits available to retired MLAs should remain unchanged.

10. The Government should consider the advisability of creating an identifiable secured pool of assets as a separate fund for the MLA Pension Plan rather than list the MLA Pension Plan Account as a liability against the General Revenue Fund of the Province.

11. The Minister of Finance should be named as the Trustee of the MLA Pension Plan

12. The legislative changes required to the *Members' Retiring Allowances Act* and the *House of Assembly Act* to give effect to these recommendations and to comply with Canada Revenue Agency requirements, should be undertaken as soon as possible.

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Appendix A

Terms of Reference and Panel Member Biographies

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APPOINTMENT AND TERMS OF REFERENCE

APPOINTMENT

The Speaker of the Nova Scotia Legislative Assembly appointed a panel to examine the allowances and benefits of retiring members of the Legislature as provided by the Members' Retiring Allowance Act and any other relevant or related legislation, rules or regulations. To this end the Speaker of the Assembly appointed a three member Panel consisting of a retired judge, who shall appoint two citizens who are neutral, independent and who, by virtue of their professional backgrounds and experience are qualified to review objectively the present allowances and benefits of retiring members and to make such recommendations as they may deem appropriate.

The Speaker appointed the Honourable David Gruchy, Q.C., a retired justice of the Supreme Court of Nova Scotia to chair the Panel. Mr. Gruchy has appointed Mr. John Morash, C.A., a former chair of the Utility and Review Board of Nova Scotia and Mr. Ronald Smith, a former Chief Financial Officer of Aliant Telecom and later a senior vice-president and Chief Financial Officer of Emera Inc. and Nova Scotia Power Inc. to serve with him.

The Speaker requested the Panel to prepare and submit to him the Terms of Reference for the review, which terms the Speaker has approved.

TERMS OF REFERENCE

1. As a retirement plan is important to a person considering whether to enter the political arena it is essential that a Panel shall conduct a full review of the present plan and to make recommendations arising from such review publicly available.

2. The Panel shall examine all aspects of MLA pensions and other retirement benefits including the plans already in effect, their effectiveness and the cost of administration.

3. The Clerk of the Legislative Assembly shall provide administrative services and support to the Panel as required. The Panel may seek the assistance of consultants to provide it with advice and analysis and to ensure an arm's length relationship with the Legislative Assembly. Without restricting the Panel, they may obtain such actuarial advice and reports as they may deem necessary, which advice and report will be appended to the Panel's report to the Speaker.

4. The Speaker, on the recommendation of the Clerk of the Legislative Assembly, will approve funding for the Panel and may approve honoraria and expenses reasonably incurred.

5. The Panel shall be guided by the following principle respecting MLA Pension benefits:

> Members of the Legislative Assembly should be entitled to retirement benefits at a fair and reasonable level to ensure that capable individuals continue to offer themselves for public service. That level should not be so small as to discourage qualified persons from running, or so generous as to be a major inducement for seeking office.

6. Within six months after the MLA Pensions Panel is established and announced the Panel shall deliver a report to the Speaker that sets out any recommendations for changes it determined should be made to MLA pensions and retirement benefits and shall give reasons therefor.

7. An appointment of an individual to the Panel terminates on the day the report is filed with the Speaker of the Legislative Assembly unless the appointment is earlier revoked or otherwise terminated.

Pension Review Panel Biographies

Hon. David Gruchy, Q.C.

Hon. David Gruchy, Q.C., Member of the Nova Scotia Bar since 1958, appointed judge of the Supreme Court of Nova Scotia in 1990 and retired from that position in 2007. He is presently a member of the Criminal Code Review Board of Nova Scotia and of the Nova Scotia Securities Commission. He was a founding partner of the firm of Burchell MacDougall of Truro and was the solicitor of the Town of Truro for fifteen years until his appointment to the bench. He served on various committees of the Nova Scotia Barristers Society and several professional and community organizations.

Mr. John A. Morash

John A. Morash was born in Lunenburg, Nova Scotia, obtaining his B Comm. from Dalhousie University. He is a Chartered Accountant, a Chartered Business Valuator, and is a Fellow Certified Management Accountant. He is a former Managing Partner of Collins Barrow, Chartered Accountants, and a former Co-Managing Partner of the Halifax Office of Coopers & Lybrand. He was the Co-ordinator with respect to the amalgamation of Queens County and the Town of Liverpool. He later served as Chair of the Nova Scotia Utility and Review Board, and is currently a part-time Member of the Nova Scotia Securities Commission. Mr. Morash is a former President of the Halifax Board of Trade, the Halifax Junior Chamber of Commerce, and the Society of Management Accountants of Nova Scotia. He is a former Director of the Canadian Chamber of Commerce, the Atlantic Provinces Chamber of Commerce, and has served as Treasurer and Member of the Board of Directors of the Nova Scotia International Tattoo Society. He is former Chair of the Executive Committee of Rockingham United Church, a former Member of the Halifax Industrial Commission, and is currently assisting with special projects at the Parker Street Food and Furniture Bank.

Mr. Ron Smith

Ronald E. Smith, a native of Yarmouth, Nova Scotia, has an extensive background in the financial, telecommunications and energy sectors. A former Chief Financial Officer with Aliant Telecom Inc. and its predecessor, Maritime Telephone & Telegraph Ltd., he later served as Senior Vice President and Chief Financial Officer of Emera Inc. and its major subsidiary, Nova Scotia Power Inc. Mr. Smith has recently completed terms as Chair of the Nova Scotia Voluntary Planning Board and the Acadia University Board of Governors and continues to serve on the latter board. He is currently a member of the boards of directors of AuRico Gold Inc., Unique Solutions Inc. and the Canada Pension Plan Investment Board and serves as a trustee of the Nova Scotia Association of Health Organizations pension fund. Mr. Smith also serves as a member of the Canadian Accounting Standards Oversight Council and a member of the national Board of Directors of the Arthiritis Society. H e is a former National President of the Canadian Association for Community Living and former Chair of the Atlantic Provinces Economic Council.

APPENDIX B

Report to the Nova Scotia MLA Pension Review Panel

Reviewing Group Benefits, Transitional Allowances / Severance Programs plus Pension Plans and Other Retirement Programs Provided to Nova Scotia MLAs

Prepared October 2011

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Section 1 Executive Summary

The Speaker of the Nova Scotia House of Assembly has appointed a Pension Review Panel (the "Panel") to "examine the allowances and benefits of retiring members of the Legislature as provided by the *Members' Retiring Allowance Act* and any other relevant or related legislation, rules or regulations".

As part of its deliberations, the Panel has decided to review how the relevant programs (i.e. Pension Plans and Other Retirement Programs, Group Health Benefits and the Transitional Allowance / Severance Program) provided to Nova Scotia Members of the Legislative Assembly compare to similar offerings in other provinces and territories across Canada.

Morneau Shepell has assisted the Panel by conducting a survey of comparative data and an assessment of the various program offerings via a benchmarking review for the Group Health Benefits and an estimation of the dollar value of benefits provided by the Transitional Allowance / Severance Programs and the Pension Plans and other Retirement Programs.

The Group Health Benefits Plan provided to Nova Scotia MLAs is very close to that offered to all members of the public service in the province and differs only in relatively minor ways (i.e. slightly less generous Life Insurance and Long Term Disability benefits). Many other jurisdictions across the country use a similar approach under which the Group Health Benefits Program provided to public servants elected to office (i.e. MLAs, MHAs, MPPs, MNAs, etc.) is materially the same as the program in which the balance of the public service in the province / territory is enrolled.

There appears to be nothing in the Group Health Benefits program provided to Nova Scotia MLAs that differs materially from that offered to any other comparator group across the country. While a full competitive analysis of the Nova Scotia public service Group Health Benefits program was outside the scope of this review, we are not aware of any substantive benefits that would make this program considerably different from a typical public sector Group Health Benefits program in Canada.

There is significant diversity in the design of Transitional Allowances / Severance Programs provided to elected public servants across the country. While there are a few fairly common norms that do exist (such as payments that are a function of the rate of pay while in office and increase with longer periods of public service), there is a wide range of variation in many aspects of the program designs.

Transitional Allowance / Severance Programs differ in areas such as the minimum benefit, the maximum benefit, the definition of earnings to be included in the calculation of the amount payable and the conditions under which a Transitional Allowance is payable.

In aggregate, the Nova Scotia Transitional Allowance Program could be considered as being just below the median of comparable programs from across the country. The most notable difference in the Nova Scotia program versus the comparable programs offered across Canada is the lower-than-usual accrual rate applicable in the Nova Scotia program of 1/15 of a year of earnings for each year in public service (a majority of programs accrue a payment equal to 1/12 of a year of earnings for each year in office). We note that eligibility for full payment of the allowance in the event of voluntary resignation other than for health reasons (as Nova Scotia allows) is very common but not universal.

With respect to Pensions and Other Retirement Programs, the changes to indexing and other provisions that were implemented on April 6, 2010, have significantly reduced the estimated value of the Nova Scotia MLA pension benefit. For an average MLA, the projected value of the pension is now 10% to 20% of annual pay lower than it was prior to the 2010 changes.

Even after the 2010 changes, the Nova Scotia MLA Pension Plan remains one of the most generous MLA pension programs in the country, primarily due to the annual benefit accrual rate of 5% for each year of service (most other defined benefit programs have an annual accrual rate of between 3% and 4% for each year of service).

The only comparable pension programs that consistently provide a more valuable benefit formula than that offered in Nova Scotia are those provided by the territories (Northwest Territories, Yukon and Nunavut) where generous benefit accrual rates (4% - 5%) are combined with full indexing for inflation both before and after retirement.

The Nova Scotia MLA Pension Plan provides an average estimated employer paid benefit value equivalent to between 30% and 35% of the pay received while serving as an MLA. The median value for the comparator programs from across Canada is roughly between 20% and 25% of annual pay while in office.

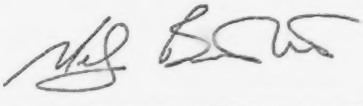
The calculated pension values for Nova Scotia MLAs are much less generous for short-service members (who may receive no benefit beyond their own contributions to the plan as a result of the relatively restrictive five-year vesting provision) and members who leave public service at a relatively younger age (as a general rule, defined benefit plans are less expensive for younger participants who cannot start a pension immediately after leaving office).

The benefit provided to very long-serving members (i.e. 20+ years) under the Nova Scotia MLA Pension Plan is at about the average level benefit for comparable programs across the country due to the 15-year limit on pension benefit accrual under the Nova Scotia plan.

The estimated value of the benefits received under the Nova Scotia MLA Pension Plan by very young members (i.e. under age 40) and those serving longer periods in office (i.e. 20+ years in office) is typically 10% to 15% lower than the average benefits values cited above.

Those provinces that have adopted a defined contribution formula for their MLA pension plan or other retirement benefit tend to be the least generous programs.

We would like to express our appreciation to the Panel for the opportunity to assist them in this review. We would also like to thank Ms. Annette M. Boucher, Q.C., Assistant Clerk in the Nova Scotia House of Assembly, for her support in completing the research associated with this project.



Mel Bartlett, Partner
Morneau Shepell Limited

Section 2 Introduction

2.1 Background

On May 5, 2011, the Speaker of the Nova Scotia House of Assembly appointed a Pension Review Panel (the "Panel") to review and make recommendations for possible changes to the pension arrangements and other benefits provided to Members of the Legislative Assembly in Nova Scotia (see Appendix A for a copy of the Panel's *Appointment and Terms of Reference*). The Panel has indicated that, as part of its review, it wishes to assess the value of the benefits provided to Nova Scotia MLAs relative to various comparator programs from across Canada. Morneau Shepell has been retained to provide technical assistance in this exercise.

The scope of this work included surveying comparator programs from across the country, completing valuations / assessments of these various programs and presenting the resulting information in a format that both served the Panel's needs and was suitable for distribution to the public as background information to the final report submitted by the Panel. Morneau Shepell met with Panel members throughout the project to review the approach used, assess progress made on the research and receive guidance regarding the project's direction. This report represents the final work product that Morneau Shepell has delivered to the Panel to aid in its deliberations.

2.2 Areas of Study and Basic Approach

The Panel has requested assistance in reviewing the following areas of benefit programs provided to Members of the Nova Scotia House of Assembly:

(a) Group Benefits Programs (i.e. Health, Dental, Group Life, etc.);

(b) Transitional Allowances / Severance Programs (payable to former MLAs upon leaving elected office); and

(c) Pension Plans and Other Retirement Programs.

As part of its review, the Panel has chosen to consider the above areas utilizing a benchmarking of the Nova Scotia benefits and design relative to a selected group of comparator benefit programs. The primary comparison was made relative to programs provided to elected public servants in the provinces and territories from across Canada (MLAs, MNAs, MHAs, MPPs, etc.). Throughout this report, we will use the term "jurisdictions" when referring to the various provinces and territories whose programs have been included in this review. A secondary comparison was completed comparing programs for Nova Scotia MLAs to similar benefits provided to the balance of civil service staff in Nova Scotia.

2.3 Methodology Used in Benchmarking

Early in this project, it was recognized that there are many factors that complicate the fair and balanced "apples to apples" comparison that the Panel desired in order to complete its assessment of the various programs under its mandate. Among the issues identified were the following:

(d) How to handle the impact of varying basic compensation structures across the jurisdictions being studied;

(e) How to reflect differing demographics of each covered group in assessing program benefits;

(f) How to compare programs that have fundamentally different benefit structures (i.e. defined benefit pension plans versus defined contribution RRSPs);

(g) How to define the most appropriate yardstick for use in assessing the benefit levels provided by various programs; and

(h) How to present the results of a complicated analysis such as this in a manner that is both informative and complete?

After careful consideration and discussion with the Panel, it was agreed that the following methodology would be used in this review:

(i) Based on the principle espoused under point 5 in the Panel's *Appointment and Terms of Reference* (which directs that the Panel focus its attention on the incentive to stand for public service that qualified persons perceive is provided by these programs), the benefit values reported herein have been assessed based on the estimated value perceived when viewed from the participant's perspective. In other words, this report focuses on the value that individual MLAs would see that they will receive as a benefit from a specific program.

(j) As a result of this focus on the member's perspective, this review will not consider or account for the specific mechanics of how each jurisdiction actually delivers benefits to program participants. Thus, variations in delivery approaches that may affect the accounting for program costs or other matters but that do not impact the actual benefit received by members have not been reflected in this analysis. This also means that the benefit values calculated for purposes of this report may differ from the accounting costs recorded for these programs in many jurisdictions.

(k) In order to avoid bias resulting from different pay levels across various jurisdictions, in all relevant comparisons where compensation level is a factor we have standardized program benefits using the current Nova Scotia MLA pay scale. For example, suppose that in jurisdiction X the annual salary of a backbench MLA is $100,000, and a given benefit has a value equal to 10% of salary. When assigning a value to this benefit in our comparison, we will use the 10% factor but will apply this to the current NS MLA pay scale of $86,619 and will report a benefit value of $86,619 * 10% = $8,662 (compared to the value of $100,000 * 10% = $10,000 that a member in jurisdiction X would actually receive). This project's focus is on comparing various program designs and, as a result, it assumes that the current NS MLA compensation level is a given. By using the NS MLA pay scale when valuing all other programs, different pay levels are adjusted for, and this allows comparison of program designs in the various comparator jurisdictions without having the results distorted by differing compensation levels.

The above comments describe issues affecting all three areas reviewed in this report. Complications impacting the individual subject areas are dealt with in detail under the specific topic areas.

Finally, during this project it was observed that reviews and changes to programs analyzed herein (particularly the pension programs) have been very common in recent years. While every effort has been made to reflect the most up-to-date information available as of August 2011, it is possible that program modifications may be in process and implemented after this date that would affect the comparative results of one or more jurisdictions.

Section 3 Group Benefits Programs

3.1 Overall Observations

As with any individual insured under a group health benefits program, the actual value of the program benefit received by a participant in the NS MLA Group Health Benefits program can vary significantly between plan members and from year to year, depending on each individual's circumstances. While it is possible to calculate an average projected value of this benefit in each year, there are a number of issues that make this an ineffective means of comparison in this situation. For example, due to the relatively small size of the groups involved in MLA / MNA / MHA / MPP programs, these results would be subject to significant volatility from year to year. Also, early in our analysis we found that many jurisdictions pool MLA Group Health Benefits programs with the balance of the civil service. As a result, the required data to complete an individual valuation for the comparator programs would not be available in many cases.

After consideration of these factors, it was agreed that the assessment of the Group Health Benefits Plan would look at the program design, including classifications, levels of coverage provided and required premium contribution levels, but would not directly consider potential variations in actual program costs due to different demographics or claims experience of various groups. For example, $100,000 of life insurance will be treated as being of equal value for all participants, irrespective of the age or health of the individual members covered.

3.2 Overview

As noted previously, early in this review we found that most jurisdictions have based group health benefits for MLAs on the program offered to the balance of the public service. Accordingly, the main focus of this study as it relates to Group Health Benefits was to review the benefits entitlement as it compares to Public Service employees within the same jurisdiction to identify any outliers. Group Health Benefits were not reviewed in detail for relative competitiveness across jurisdictions.

Details of the programs assessed can be found in Appendix B to this report.

3.3 Types of Benefits

The study involved a review of Basic Life, Long Term Disability, Health, Drugs, Vision and Dental benefits and cost-sharing arrangements for MLAs as compared to other similar programs across Canada. Benefits provided both while in active service and after leaving office were considered.

3.4 Findings

Nova Scotia MLA Group Health Benefits are essentially the same as those provided to other Nova Scotia Public Service members. Our review has confirmed that a similar approach to this is used in the vast majority of other Canadian jurisdictions. The differences between the Group Health Benefits provided to MLAs and other Public Service employees in Nova Scotia are described below:

(a) Basic Life – MLAs without a portfolio are offered basic life insurance at a flat amount of $100,000. MLAs with a portfolio are offered basic life insurance at a flat amount of $200,000. Public Service employees are offered basic life insurance equal to 2 x annual salary. Basic MLA indemnity is $86,619, so the flat life insurance benefit provided to MLAs without a

portfolio (i.e. $100,000) is less than the 2 x annual salary provided to Public Service employees. After recognizing the additional $47,609 payable for Ministerial service (which makes total annual earnings $134,228), the $200,000 flat life insurance benefit afforded to Nova Scotia MLAs with a portfolio is also less than the 2 x salary provided to Public Service employees. In our opinion, neither of these differences would be considered a material outlier.

(b) Long Term Disability – MLAs are offered LTD benefits equal to 70% of their earnings with a maximum insured earning limit of $60,000 without medical evidence being required and $102,857 if medical evidence is supplied to and approved by the insurer. Public Service employees have disability coverage equal to 65% of earnings for the first three years in receipt of benefits, increasing to 70% thereafter. The maximum level of insured earnings for Public Service employees is $175,000, and no medical evidence is required. Due to the lower limits on insured earnings, we would conclude that the MLA Long Term Disability benefits are not as generous as those provided to Public Service employees in Nova Scotia.

(c) Health, Drugs, Vision and Dental – benefits for MLAs and Public Service employees are the same.

(d) Benefits after Retirement – the same post-retirement group benefits are available to Nova Scotia MLAs as are provided to all retired Public Service employees in the province.

3.5 Employer Contribution

The Employer contributes the same portion towards the premiums for MLAs as they do for Public Service employees. This is typically the case with other jurisdictions.

3.6 Observations Regarding MLA Group Benefits Program

The Life and LTD benefits provided to Nova Scotia MLAs differ from those provided to Public Service employees and represent a lower benefit based on the percentage of income. Health, Drug, Vision and Dental benefits are the same for both groups. As well, the percentage of cost sharing is the same for both MLAs and Public Service employees.

Of the comparator groups, Nova Scotia MLAs were one of only two provinces to have a different Life benefit schedule from other Public Service employees. MLAs in the Northwest Territories (NWT) are eligible for life benefits equal to 1 times salary plus a supplemental benefit of 1 times salary as outlined in the Public Service Management Insurance Plan (PSMIP). Other government employees in the NWT have basic life benefits equal to 2 times salary as outlined in the Public Service Health Care Plan (PSHCP).

Nova Scotia MLAs were the only group to have a different Long Term Disability plan than that of Public Service employees in the jurisdiction.

Therefore, Group Health Benefits provided to Nova Scotia's MLAs are slightly less generous than the general Public Sector. However, we would not classify them as being materially different, and this yields no significant outliers as compared to programs provided to Public Service employees within Nova Scotia or to elected officials in other jurisdictions across Canada. As noted previously, detailed quantitative analysis of the Group Health Benefits provided to MLAs and Public Servants in Nova Scotia relative to the comparator plans was not conducted as part of this analysis.

Section 4 - Transitional Allowances / Severance Programs

4.1 Overview Observations

All jurisdictions provide some type of payment to those leaving public office to financially assist their transition back to private life. The amounts payable and conditions required to qualify for receipt of these payments differ markedly across the various comparator jurisdictions. The following analysis of the Transitional Allowance / Severance Programs will both capture high level program details and compare benefits payable under a variety of sample scenarios. This will serve to illustrate the different results produced by the various programs offered (we again note that we will use the Nova Scotia MLA pay scale to assign dollar values here to focus on the program design itself as opposed to the underlying pay scales).

4.2 Analysis of Transitional Allowances / Severance Programs

Appendix C contains a table summarizing the results of our survey of comparator programs across the country. Please refer to this for details of each program's design criteria. The comments below provide a summary of the observations and conclusions drawn from this information.

Overall, the procedures for calculating and distributing transition allowances to MLAs in Nova Scotia appear to be largely consistent with the standards of provincial and territorial governments across Canada. Like the majority of jurisdictions, Nova Scotia calculates transition allowances by using the salary level in effect on the last day the MLA served and prorating any partial years of service. In addition, Nova Scotia's use of the MLA basic annual salary (exclusive of any additional earnings paid for committee or Ministerial service) to determine the transition allowance is the same as in New Brunswick, Newfoundland, Manitoba, Saskatchewan, British Columbia and the Northwest Territories.

Most provinces and territories (including Nova Scotia) provide a transition allowance to MLAs who leave office for any reason including death, resignation for any reason, or defeat at the polls in an election. Exceptions to this rule include Manitoba and British Columbia, both of which do not offer a transition allowance to MLAs who resign voluntarily prior to dissolution for any reason other than serious illness. Additionally, New Brunswick reduces the allowance payable in such cases. Some jurisdictions also place restrictions on the payment of allowances to MLAs who die while in office (Manitoba and Quebec do not give an allowance in such cases, and the Northwest Territories offers a substantially reduced payment).

The most significant area in which Nova Scotia differs from the rest of Canada is in the lower fraction of annual earnings credited each year in the calculation of the amount of transition allowance paid to departing MLAs. While Nova Scotia provides payment of 1/15 (i.e. 0.067) of the MLA's annual salary for each year of service, most jurisdictions – including New Brunswick, Prince Edward Island, Manitoba, Saskatchewan, British Columbia and the Northwest Territories provide 1/12 (i.e. 0.083) of the MLA's annual salary for each year of service. Only Newfoundland uses a fraction similar (though not identical) to that of Nova Scotia (the Newfoundland approach was implemented at the same time that a basic restructuring on MHA compensation was made and appears to have been designed to avoid a sharp increase in these payments when a previously non-taxable allowance payable to MHAs was converted to taxable earnings).

Depending on the length of an MLA's tenure, the lower amount of payment earned for each year of service can be partially offset by Nova Scotia's minimum payment of three months. This minimum is higher than that in New Brunswick, Prince Edward Island, Manitoba, Saskatchewan and Nunavut. On a countrywide level, Nova Scotia's minimum limit is approximately average, as it is equal to that of Newfoundland, Alberta and Yukon and lower than that of Quebec, Ontario, British Columbia and the Northwest Territories. Furthermore, Nova Scotia's maximum limit of 12 months is consistent with most other provinces and territories, with the exceptions being New Brunswick and Yukon (which have lower maximums), Ontario and British Columbia (which have higher maximums) and Alberta (which has no specified maximum).

4.3 Sample Calculations

To illustrate the operation of the NS MLA Transitional Allowance program, we have examined the amounts payable to the following sample members for the various jurisdictions across the country. Because individual circumstances can have a material impact on the value paid by the Transitional Allowance Program, we have created 10 fictitious "members" (A through J) in order to illustrate how the various programs operate. We calculated estimated payout amounts for members serving terms of service as short as 4 years and as long as 24 years, those members that may have been in Cabinet or similar positions for at least part of their period of public service, and the impact of the circumstances under which members may have left public service. The sample members we have examined are as follows:

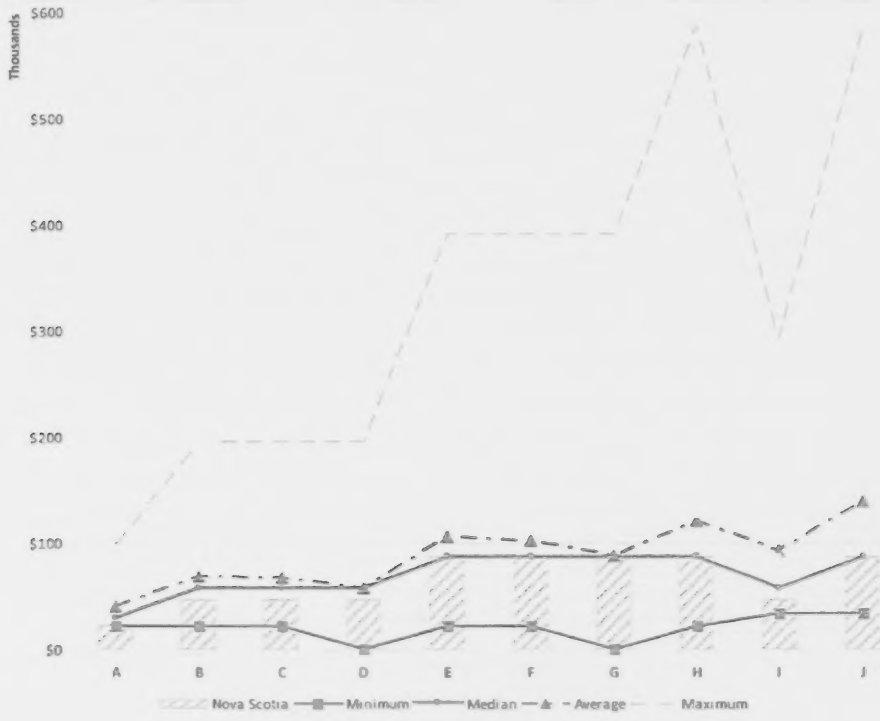
Member A:	Defeated after 4 years (did not serve as Minister)
Member B:	Defeated after 8 years (did not serve as Minister)
Member C:	Did not run again after 8 years (did not serve as Minister)
Member D:	Resigned other than for serious illness after 8 years (did not serve as Minister)
Member E:	Defeated after 16 years (did not serve as Minister)
Member F:	Did not run again after 16 years (did not serve as Minister)
Member G:	Resigned other than for serious illness after 16 years (did not serve as Minister)
Member H:	Defeated after 24 years (did not serve as Minister)
Member I:	Defeated after 8 years (served as Minister)
Member J:	Defeated after 16 years (served as Minister)

Details of the estimated Transitional Allowance payments for the above members in each jurisdiction can be found in Appendix D. Due to the relative consistency of design between many of these programs across Canada, we found that a number of jurisdictions produced similar payouts in many situations. In order to effectively illustrate this result, the graph on the following page looks at all comparator programs. For each of the members A through J above, the minimum amount, the maximum amount, the average amount and the median (or middle value) appear as a line on the chart. The comparative value payable under the NS MLA program is shown as a bar for each member to allow comparison across the group.

As this chart shows, Transitional Allowances payable to Nova Scotia MLAs are at or below the values payable in most other comparator jurisdictions (the NS program is always at or below the median and

average values). The only circumstance where the NS program is significantly more valuable than a few other jurisdictions is for long-service members (those that have more modest maximum payment limits) and in the event that a member resigns during a session other than for health reasons (in which case a few programs reduce or eliminate the Transitional Allowance).

As the chart illustrates, the significant outlier in value is the Alberta program, which provides an annual accrual equal to three months of pay for each year of service with no specified maximum and also includes Ministerial pay and other income sources. This produces values sharply higher than any other comparator program. However, as the next section will demonstrate, Alberta also provides one of the least generous retirement benefit programs. Conversely, the most modest Transitional Allowance / Severance Program is provided by the Yukon, a jurisdiction that the following section will show has one the most generous retirement benefit programs.



4.4 Retiring Allowance Payable to NS Government Employees

Public servants in Nova Scotia are themselves eligible for a Retiring Allowance Award upon leaving public service. However, eligibility for this program is more restrictive than the rules applicable for MLAs. The Public Service Retiring Allowance is payable only if the member is directly retiring from public service and commencing their pension payable from the PSSP immediately (MLAs do not have to immediately commence their MLA pension to qualify). The Retiring Allowance for members of the public service is accrued at a rate of one week of pay (i.e. 1/52 of a year) for each year of service (the accrual for MLAs is 1/15 of a year for each year of service). The maximum payment under the Retiring Allowance is 26 weeks (½ year) after 26 or more years of public service (for MLAs the maximum is 12 months (1 year) after 15 or more years of elected public service).

4.5 Observations Regarding Transitional Allowances / Severance Programs

Most Transitional Allowance Programs have generally consistent structures and benefits. The most material variations are:

(a) A flat transitional allowance payment equal to 3 months of pay irrespective of the period of service is provided by the Yukon;

(b) Somewhat higher than normal annual accrual rates are used in Nunavut (~1.5 months per year) and Quebec (2 months per year), but other aspects of the programs in these two jurisdictions are fairly standard (including the 12-month maximum);

(c) Ontario uses a unique schedule that provides a minimum payment equal to 6 months of earnings for those serving less than 4 years, a maximum of 18 months payable for those serving more than 8 years and 12 months of earnings for those falling between these levels (Ontario also includes additional earnings – see following comment);

(d) Recognition of additional amounts paid beyond basic MLA indemnity (i.e. for committee or Ministerial service) is provided in Prince Edward Island, Quebec, Ontario, Alberta, Nunavut and the Yukon;

(e) Alberta's program is the most generous and incorporates a relatively high accrual rate (3 months per year of service) with no maximum benefit period and bases benefits on the highest 3 year average rate of pay inclusive of RRSP allowance, tax free allowances, Ministerial allowances, committee remuneration, etc. As observed previously (and illustrated in the following section), Alberta also provides one of the least generous retirement benefit programs;

(f) The Transitional Allowance program for Nova Scotia MLAs provides a benefit that is reasonably comparable to the majority of programs in other jurisdictions;

(g) The minimum payment of 3 months of earnings and the maximum payment of 12 months of earnings in the Nova Scotia program are both quite common; and

(h) The Nova Scotia Transitional Allowance Program is less favourable than that used in many other jurisdictions in its lower annual accrual rate (1/15 of a year's earnings compared to the 1/12 for each year of service that many others use).

Section 5 - Pension Plans and Other Retirement Programs

5.1 Overview Observations

Of the three subject areas analyzed in this report, the comparison of Pension Plans and Other Retirement Programs presents the greatest challenges when comparing different benefit structures. Differing program terms affect not just the amount of income provided at retirement but also everything from the date income can be first collected to inflation protection terms to spousal benefits provided and so on. A further complication in this comparison is a fundamental difference in the basic benefit structures between some of the programs. The majority of comparator retirement programs (including Nova Scotia's) are provided on a defined benefit basis (the promise made to the member is a stated amount of income payable for lifetime after retirement and to any qualifying survivors after the member's death irrespective of the ultimate cost of the pension). However, programs in some jurisdictions (Alberta, Saskatchewan and Ontario) are structured on a defined contribution basis (the commitment is to a stated amount of annual contribution towards retirement savings, but there is no guarantee as to what ultimate benefit this will provide the member with after retirement). Because of the vastly different nature of the promises made to members, direct comparison of these differing designs is not possible.

Appendix E contains a detailed summary of the retirement programs provided by jurisdictions across Canada.

5.2 Analysis of Pension Plans and Other Retirement Programs

To effectively compare these various program designs, we have converted the value of all programs to a consistent approach. As most people are familiar with the concept of an annual contribution to a tax-sheltered program such as an RRSP, we have adopted an annual tax-sheltered contribution as the basic measurement yardstick. The benefit level provided by various Pension Plan and Other Retirement Program designs has been standardized by calibrating them to an *Equivalent Annual Contribution* ("EAC"). The EAC is the employer contribution to a tax-sheltered vehicle that is required to fund the cost of the retirement benefits provided. This measure is expressed as a percentage of compensation received while in public service, as described below:

(a) Simply, the EAC is equal to the percentage of each year's earnings that the employer would have to invest in a tax-sheltered account such that, when the member leaves public service, sufficient funds have been accumulated in the tax-sheltered account to pay the employer share of the estimated cost of the pension benefit promised to the member and any survivors as provided for under the terms of the program.

(b) This approach makes the valuation of those programs that operate on an annual defined contribution methodology relatively straightforward, as the EAC is simply the amount of contributions that the employer makes to the member's credit each year.

(c) However, because the commitment under a defined benefit program is not expressed as an annual contribution and the actual cost of the benefit will vary depending on future events, expressing the value of defined benefit programs in terms of an EAC is complicated and requires that we make a number of assumptions. Basic principles used in this process were as follows:

(i) All calculations were done on a "best estimate" basis and used assumptions selected to represent conditions that may be, on average, reasonable projections of future conditions and investment rates of return that a typical diversified investment fund held in a balance of equity and fixed income securities would earn. For purposes of selecting the specific assumptions regarding future investment rates of return, participant survivorship, etc., we have adopted the same basis as was utilized in the most recent actuarial valuation of the Nova Scotia Public Service Superannuation Plan (the "PSSP") – the pension plan covering Public Service employees in Nova Scotia. The most critical of these assumptions is a 6.8% annual rate of return (Appendix F contains further details of the assumptions used in these calculations).

(ii) We note that, when comparing relative values across different defined benefit programs, modest variations in the assumptions used will not substantially affect the results of the analysis herein.

(iii) However, the economic assumptions used can have a substantial impact on the comparison between defined benefit programs and defined contribution programs. As a generalization, if we used an annual rate of return equal to 4% (roughly the current cost of Nova Scotia Government borrowing) in place of the 6.8% drawn from the PSSP valuation, the EAC for the defined benefit programs analyzed herein would be increased by 30-50% of the values included in this report.

(iv) The value of a pension promise will be calculated based on the estimated value delivered to the member; as noted previously, this may differ significantly from the accounting costs for pension expenses that appear in the books of the Sponsor. For example, Nova Scotia does not have a segmented fund to secure MLA pension benefits but rather utilizes a notional account held as a liability on the books of the province. Public sector accounting requirements dictate that the investment rate used to calculate pension costs in this situation must be based on current Government borrowing rates for debt of a similar duration. This lower assumed investment rate means that the accounting costs for the Nova Scotia MLA pension plan will be higher than the values appearing in this report (on the order of the 30-50% described above). Other jurisdictions have segmented funds established to secure at least a portion of the benefits promised to members. Under this approach, public sector accounting rules allow the plan sponsor to assume a higher investment rate of return when calculating pension expense for the part of the promised benefits that is secured by the segmented fund (this will tend to produce lower booked expense levels).

(v) We also have not adjusted our calculations for any variations between actual experience and the assumptions used in our calculations (accounting rules require that these gains and losses be brought into annual pension expense, typically by amortizing over a period of years). In this analysis, we have assumed that these gains and losses balance out over time. As a result, we have not assigned a dollar value to the guarantee provided to members of defined benefit programs. Conversely, we have also not attempted to assign a dollar value to the increased flexibility that members of defined contribution programs will have in customizing the payout of their retirement benefits to their personal circumstances.

(vi) We have calculated the estimated value of the pension entitlement at the time a member leaves office and determined what percentage of pay the employer would have to have contributed into a tax-sheltered investment each year during the member's active service in order to accumulate a balance at the end of active service equal to the

estimated pension value at that time. This calculation has also accounted for any contributions that the member may have made to the program. The final result is the EAC. In this calculation, any limitations imposed by Canada Revenue Agency on allowable tax-sheltered contributions or the like have not been reflected; for purposes of this analysis, we assumed that all such contributions could be tax sheltered until received as income by the member. We note that this is effectively the same treatment that all defined benefit pension plans receive.

5.3 Membership Sample Profiles

Because differing personal circumstances can have a material impact on the estimated value of a defined benefit pension program and the resulting EAC, we have created 10 fictitious "members" (A through J) in order to illustrate how the various programs operate for members elected at varying ages, serving terms of service as short as 4 years and as long as 24 years and those that may be in Cabinet or similar positions for at least part of their period of public service. Details of these fictitious members are provided later in this section.

5.4 Recent Plan Changes in Nova Scotia

In all cases, best efforts have been made to reflect the impact of recent plan design changes or reviews that have been completed. Perhaps the most critical of the recent changes affecting this report is the modification to plan provisions under the Nova Scotia MLA Pension Plan and the Nova Scotia PSSP announced on April 6, 2010. Before this date, MLA and PSSP pensions were indexed for CPI increases both before retirement (for those who left public service before they were eligible for an immediate pension) and after pension payment started in exactly the same manner for both plans. On April 6, 2010, changes were made to both programs as described below:

(a) For deferred pensions (i.e. those where payments have not yet started), indexing during the period before payments commence was eliminated effective January 1, 2011.

(b) For pensions where payments have already commenced, indexing for the period January 1, 2011 to December 31, 2015 was fixed at 1.25% per year.

(c) For pensions where payments have already commenced, indexing from January 1, 2016 forward will be reset every five years and is now conditional on the PSSP being a minimum of 100% funded when the indexing decision is made (indexing is only committed to if the PSSP is at least 110% funded at that time). The MLA Pension Plan will be indexed in exactly the same manner as the PSSP.

(d) For new members joining the PSSP and MLA Pension Plan after April 6, 2010, the surviving spousal pension is reduced to 60% (previously it was 66 2/3%).

(e) For PSSP members joining after April 6, 2010, the earliest age at which an unreduced pension can be received was changed from the previous retirement eligibility rule of age 50 plus 80 "points" (age + service) to age 55 and 85 "points".

The Panel was appointed after the above changes were made to the MLA Pension Plan and these have been reflected in the starting point used in the EAC calculations. The analysis herein has reflected that deferred pensions are no longer indexed. Further, as the focus is on future elections, we have utilized the reduced 60% spousal pension in our EAC calculations for the NS MLA Pension Plan.

5.5 Contingent Indexation in Nova Scotia Plans

The most consequential change to the MLA Pension Plan benefits introduced on April 6, 2010, was the modification to future indexing provisions. Both the transitional period up to December 31, 2015, and the contingent approach to indexation after that time posed complications in the calculation of the EACs for the NS MLA Pension Plan. On the assumption that the Panel should be making recommendations based on long-term considerations, it was agreed that the transitional indexing of pensions in payment up to December 31, 2015, can be ignored for purposes of this review. However, this still leaves the issue of how to address the post-2015 contingent indexation of pensions in payment.

A review of the relevant information on the Nova Scotia Pension Agency website indicates that future indexation **may** be paid if the plan is over 100% funded, as long as this is not forecast to take the PSSP into a deficit, and indexing **will** be paid if the PSSP is funded at a level of 110% or more (emphasis added). As part of the April 6, 2010 plan changes, a significant cash infusion of $536 million was made by the Nova Scotia Government. This deposit plus the impact of the 2010 plan changes were together forecast to bring the PSSP to a 100% funded status on a going-concern basis at that time. As the PSSP is a relatively mature pension plan with significant liabilities in respect of current pensioners, the main source of funding for any future contingent indexation will be investment gains relative to the 6.8% rate of return assumed in the actuarial valuation measured cumulatively from 2010 forward. For purposes of this analysis, we have assumed that investment gains will be the only significant source of funds to provide indexation of pensions in payment.

However, if the PSSP produces investment returns higher than 6.8%, this would imply that this higher rate should be reflected in the EAC calculations. If a higher investment assumption is used, but then the projected indexation benefit is accounted for, the EAC calculated will not differ materially from that produced by using a 6.8% investment return and assuming zero future indexation. As a result, in this report, a 6.8% discount rate has been assumed and any future pension indexation has been ignored.

It is important to note that the preceding assumption is not equivalent to assuming that indexation will never be provided to retired PSSP members and MLAs in the future; rather, this simply reflects the fact that any future indexation will be predominantly funded by cumulative investment returns earned from 2010 in excess of the 6.8% currently assumed in the actuarial valuation of the PSSP.

Because the April 6, 2010 changes are still quite recent, it is valuable to capture the impact that these had on the NS MLA Pension Plan. As a comparator, we have also calculated EAC values for the NS PSSP both prior to and after these changes were implemented.

As the chart on the following page demonstrates, the 2010 changes significantly reduced the EAC for members of the NS MLA Pension Plan, in many cases by a factor of 1/3 or more. The magnitude of this change may be somewhat surprising, as the total liability change in the NS PSSP was closer to 1/5 on average. The larger impact is due to the following:

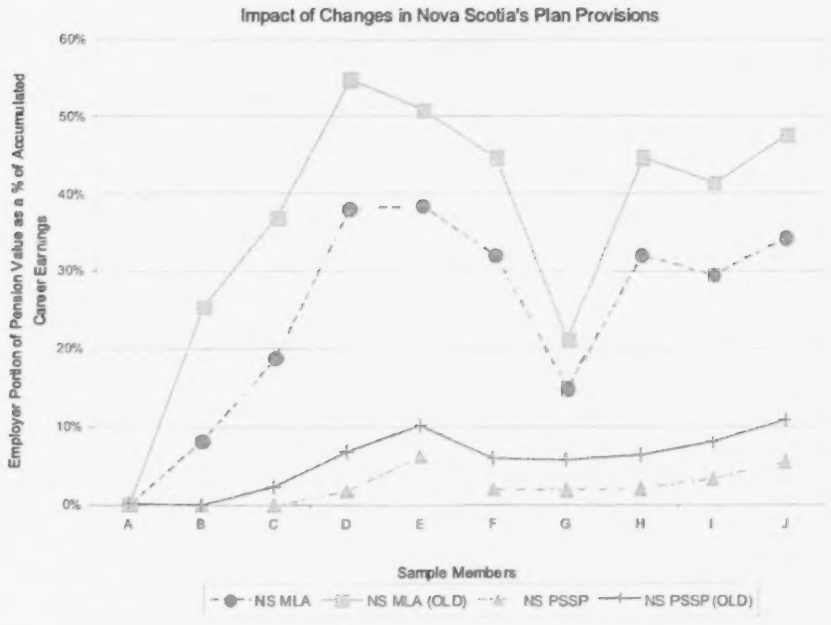
(a) The group being analyzed consists of active members only for whom the indexing change lasts longer; this increases the impact of the change to roughly ¼ (the same change has a smaller relative effect on pensioners).

(b) The EAC represents only the employer's share of the cost, while the indexing change affects the entire program cost. For example, if the EAC previously was 50%, the total cost of the pension was roughly 50% employer + 10% member contributions = 60%. A ¼ reduction in the total benefit means that it is now worth about 60% - 15% = 45% of pay. Subtracting the 10%

member contributions produces a reduced EAC of 45% - 10% = 35% of pay. This is roughly 1/3 less than the 50% EAC that existed before the 2010 plan changes.

Demographic details of the 10 fictitious MLAs and the chart summarizing calculated EAC results for the MLA Plan and the PSSP both before and after the 2010 changes appear below:

Member A –	Elected at age 34 and serves 4 years before leaving public service
Member B –	Elected at age 30 and serves 8 years before leaving public service
Member C –	Elected at age 37 and serves 8 years before leaving public service
Member D –	Elected at age 45 and serves 8 years before leaving public service
Member E –	Elected at age 55 and serves 8 years before leaving public service
Member F –	Elected at age 40 and serves 16 years before leaving public service
Member G –	Elected at age 35 and serves 24 years before leaving public service
Member H –	Elected at age 40 and serves 16 years before leaving public service, all as a Cabinet Minister
Member I	Elected at age 40 and serves 16 years before leaving public service, the first 8 of which as a Cabinet Minister
Member J	Elected at age 40 and serves 16 years before leaving public service, the last 8 of which as a Cabinet Minister



Some observations arising from the preceding chart are:

(a) The elimination of indexing during the deferral period and introduction of contingent indexation after retirement very dramatically reduced the value of the pension for all members. The relative impact was greatest for Members B and C, who are the youngest individuals in the group (for example, the EAC for Member B decreased from 25% of pay to 8%).

(b) The EAC is greatest for those who serve 15 years or less (due to the cap on service recognized under the Nova Scotia MLA Plan) and leave office eligible for an immediate pension.

(c) The EAC for MLAs continues to be significantly higher than for members of the PSSP (consistent with the higher 5% annual benefit accrual rate).

5.6 Comparison to Other Provincial / Territorial Programs

As described in the Methodology section of this report, fairly comparing various pension plans and other retirement programs is a very complicated exercise. The basic approach we have chosen is to calculate the average annual contribution that the employer would have to make to a tax-sheltered investment in order to accumulate sufficient assets to fund the estimated value of the promise at the time member leaves office (the previously defined EAC). While we believe that this statistic provides a measure that is both informative and appropriate for the purposes of the analysis that the Panel has requested, it is important to be aware of the following limitations of the EAC measure:

(a) The EAC for defined benefit programs will vary by a meaningful amount if significantly different assumptions are used. In particular, a lower assumed investment rate of return of 4% would increase the calculated EAC values for the defined benefit programs by 30% - 50% (i.e. a calculated EAC value of 30% would increase to somewhere between 39% and 45%). This impact would be roughly proportionate in all defined benefit programs but would not impact the values for defined contribution programs.

(b) Because the EAC measure explicitly accounts for the time value of money, it will be significantly different than the values often publically reported for pension programs. For example, while a retiree who qualifies for a $50,000 annual pension may be expected to live for 20 years, the actual value of the pension is not 20 multiplied by $50,000 = $1,000,000. A more appropriate value, after adjusting for the time value of money at a 6.8% annual rate of return, is roughly $556,000. As a comparison, if we use a 4% assumed investment rate for the calculation, the value of this same $50,000 annual pension payable for 20 years is $693,000, an increase of 25% compared to the value calculated assuming a 6.8% annual return.

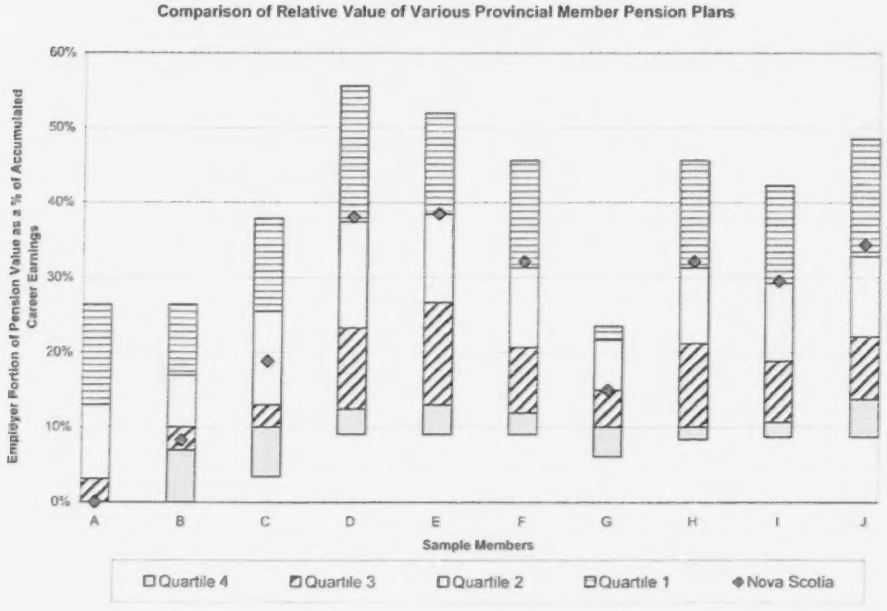
(c) We have not attempted to assign a value to the guaranteed nature of the pension promise under the defined benefit structures that are present in the NS MLA Pension program and in many others across the country. Should actual future conditions differ substantially from those assumed in the calculation of the EAC values, the gap between the values of the defined benefit programs and defined contribution programs will vary (potentially substantially) from those calculated herein (the values above calculated at 6.8% versus 4.0% serve to illustrate this).

(d) We have assumed average levels of survivorship in calculating pension values and, to the extent that the actual lifespans of members and their survivors vary from these averages, the actual payments received and costs will differ from those estimated. As we would expect these differences to even out over time, we have limited our analysis to average expected values.

(e) The pensions provided for the member profiles (A through J) described previously were modeled for each of the comparator provinces and territories. Details of EAC values for each of these members for all jurisdictions are found in the attached Appendix G. Because the main focus here is on relative values, the results of the calculated EACs have been presented pictorially using quartile box charts. In a quartile box chart, the top 25% of values appears in the top box, the next 25% in the second box, the third 25% in the third box and the bottom 25% in the bottom box. The EAC under the current NS MLA program is indicated by a diamond in each column of quartile boxes. A different column is used for each respective fictitious plan member. In total, the columns, boxes and diamonds illustrate the range of estimated EAC results for the various members and where the Nova Scotia MLA Pension Plan value appears in each.

Finally, to the maximum extent possible we have reflected recent changes to comparator programs across the country (such as those recently introduced in New Brunswick). However, there may be pending changes or revisions in process that were not public in August 2011 when this research was completed; any such modifications are not reflected in this analysis.

Summary statistics using the quartile boxes previously described are illustrated in the Chart below. The demographic details of the 10 members being modeled can be found earlier in this section.



5.7 Observations Regarding Pension Plans and Other Retirement Programs

(a) The EACs vary widely between comparator programs and between the 10 various fictitious members of the test group used in this analysis. While some younger, shorter service members may receive zero dollars of employer funded pension benefit, in some

jurisdictions other members may receive a retirement benefit with a value of as much as 40% or more of their annual pay.

(b) Generally speaking, the EACs for the Nova Scotia MLA Pension Plan are in the 30%-35% range and are in the first quartile of the group of comparator programs for many members (D, E, F, H, I and J). Other cases are at or above median (C and G). This is in large part the result of the relatively high 5% annual benefit accrual rate that applies for first 15 years of service (this is tied for the highest annual accrual rate of any comparator program in the country).

(c) Short-service members (< 5 years) receive no employer funded pension benefit (Member A) – a result that ties the NS MLA Plan with some other jurisdictions that have similarly restrictive vesting provisions. We note that this provision would not be permissible in a private sector pension plan, which would have to vest benefits within two years of becoming a member.

(d) The relatively lower EAC value of the benefit for Member B is in large part due to the fact that defined benefit pension plans tend to be less expensive for younger members who may be several years away from eligibility to collect any pension benefit. As noted previously, Member B was one of those individuals more significantly affected by the changes to the indexing provisions implemented in 2010.

(e) While Member H would receive a higher pension due to Cabinet service during his / her career, the EAC is the same as for Member F who was a backbencher for his / her entire career. This illustrates how the higher pension benefit for H is directly proportionate to the higher earnings received as a Cabinet member while in public service.

(f) The lower absolute value for the EAC for Member G (~15% versus 30%+ for most other members) reflects the fact that this individual is assumed to serve 24 years but the Nova Scotia MLA pension plan caps service accrual after 15 years. This member accrues no pension benefit for the last nine years of public service (other than having a higher earnings base at retirement). Because the EAC is assumed to be calculated over the entire 24-year period of public service, a lower annual employer contribution is required to fund the benefit promised.

(g) The lower relative value for the EAC for Member G (median versus first quartile for most other members) illustrates the fact that many other jurisdictions do not have the same service limitation after 15 years that the NS MLA Plan has (however, we note that many do have a similar limit on the maximum pension that may be earned equal to 70% or 75% of earnings).

Appendix A

Panel's Appointment and Terms of Reference

APPOINTMENT AND TERMS OF REFERENCE

APPOINTMENT

The Speaker of the Nova Scotia Legislative Assembly appointed a panel to examine the allowances and benefits of retiring members of the Legislature as provided by the Members' Retiring Allowance Act and any other relevant or related legislation, rules or regulations. To this end the Speaker of the Assembly appointed a three member Panel consisting of a retired judge, who shall appoint two citizens who are neutral, independent and who, by virtue of their professional backgrounds and experience are qualified to review objectively the present allowances and benefits of retiring members and to make such recommendations as they may deem appropriate.

The Speaker appointed the Honourable David Gruchy, Q.C., a retired justice of the Supreme Court of Nova Scotia to chair the Panel. Mr. Gruchy has appointed Mr. John Morash, C.A., a former chair of the Utility and Review Board of Nova Scotia and Mr. Ronald Smith, a former Chief Financial Officer of Aliant Telecom and later a senior vice-president and Chief Financial Officer of Emera Inc. and Nova Scotia Power Inc. to serve with him.

The Speaker requested the Panel to prepare and submit to him the Terms of Reference for the review, which terms the Speaker has approved.

TERMS OF REFERENCE

1. As a retirement plan is important to a person considering whether to enter the political arena it is essential that a Panel shall conduct a full review of the present plan and to make recommendations arising from such review publicly available.

2. The Panel shall examine all aspects of MLA pensions and other retirement benefits including the plans already in effect, their effectiveness and the cost of administration.

3. The Clerk of the Legislative Assembly shall provide administrative services and support to the Panel as required. The Panel may seek the assistance of consultants to provide it with advice and analysis and to ensure an arm's length relationship with the Legislative Assembly. Without restricting the Panel, they may obtain such actuarial advice and reports as they may deem necessary, which advice and report will be appended to the Panel's report to the Speaker.

4. The Speaker, on the recommendation of the Clerk of the Legislative Assembly, will approve funding for the Panel and may approve honoraria and expenses reasonably incurred.

5. The Panel shall be guided by the following principle respecting MLA Pension benefits:

Members of the Legislative Assembly should be entitled to retirement benefits at a fair and reasonable level to ensure that capable individuals continue to offer themselves for public service. That level should not be so small as to discourage qualified persons from running, or so generous as to be a major inducement for seeking office.

6. Within six months after the MLA Pensions Panel is established and announced the Panel shall deliver a report to the Speaker that sets out any recommendations for changes it determined should be made to MLA pensions and retirement benefits and shall give reasons therefor.

7. An appointment of an individual to the Panel terminates on the day the report is filed with the Speaker of the Legislative Assembly unless the appointment is earlier revoked or otherwise terminated.

Appendix B

Group Benefits Comparator Plan Review

MLA Benefit Study Overview

	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador
Health	Same as Public Service Commission employees	Same as all other Government employees	Same benefits provided to the excluded group of employees in the provincial civil service plan	Same benefits as all other public employees
Dental	Same as Public Service Commission employees	Same as all other Government employees	Same benefits provided to the excluded group of employees in the provincial civil service plan	Same benefits as all other public employees
Life	MLA – Flat $100,000; Cabinet Member – Flat $200,000 PSC employees – 2 x salary	Same as all other Government employees	Same benefits provided to the excluded group of employees in the provincial civil service plan	Same benefits as all other public employees
LTD	70% of earnings to a maximum of $60,000 (non-evidence) and $102,857 (evidence). Differs from NSPS LTD program	Same as all other Government employees	Same benefits provided to the excluded group of employees in the provincial civil service plan	Same benefits as all other public employees

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories
Health	Same benefits as public employees	Same benefits as permanent, non-unionized employees	Same Choice program as Managers and non-union employees of the Government	Same benefits as Excluded employees in the BC public service	Same benefits as Confidential Exclusion employees	Same benefits at the Public Service Health Care Plan (PSHCP) with the same benefits as Excluded employees. See Notes for more detail
Dental	Same benefits as public employees	Same benefits as permanent, non-unionized employees	Same Choice program as Managers and non-union employees of the Government	Same benefits as Excluded employees in the BC public service	Same benefits as Confidential Exclusion employees	Same benefits at the Public Service Health Care Plan (PSHCP) with the same benefits as Excluded employees. See Notes for more detail
Life	Same benefits as public employees	Same benefits as permanent, non-unionized employees	Same Choice program as Managers and non-union employees of the Government	Same benefits as Excluded employees in the BC public service	The base life benefits are the same except confidential employees have a 2 x benefit in addition to the base benefits through the Public Service Superannuation Plan.	Same benefits at the Public Service Management Insurance Plan (PSMIP) = 1 x salary + supp. Life benefit of 1 x salary. PSHCP have a basic life policy of 2 x salary
LTD	Same benefits as public employees	Same benefits as permanent, non-unionized employees	Same Choice program as Managers and non-union employees of the Government	Information was not clear as the coverage level for MLAs	Same benefits as Confidential Exclusion employees; except confidential employees have an elimination period of 13 weeks or the end of sick leave if greater, MLAs do not have a sick leave policy.	No information found

Notes:

Northwest Territories

MLA Hospital coverage is outlined as a maximum of $100 per day for level II and $150 per day level III, whereas confidential employees have a maximum of $140 per day for level II and $220 per day level III. Major Dental – no maximum for MLAs; excluded employees have a $1,500 max. Orthodontics – MLAs have a $3,000 max, while excluded employees have a $4,000 max. MLA outline is dated April 1, 2010.

Appendix C

Comparison of MLA Transition / Severance Allowances Across Canada

Comparison of MLA Transition / Severance Allowances Across Canada

Province/Territory	Eligibility			Amount						
					Limits (in months)		Covered Earnings			
							Base Salary		Allowances	
	Defeat	Resign[1]	Death	Calculation Used	Min.	Max.	In effect on last day of service	For highest paid years of service	Ministerial/ committee service	Other (e.g., tax-free)	Comments
Nova Scotia	X	X	X	1/15 annual indemnity per year of service	3	12[2]	X[3]				The allowance commences 30 days after the MLA ceases to be a member
New Brunswick	X	X[4]	X	1/12 annual indemnity per year of service	1	6	X				$5,000 also available for career counseling or retraining purposes
Prince Edward Island	X	X	X	1/12 annual indemnity per year of service	1	12	X		X[5]		
Newfoundland and Labrador[6]	X	X[7]	X	1/12 of 81.2% of annual indemnity per year of service[8]	3	12	X				Whenever office-holders (i.e., Ministers, Whips, etc.) vacate an office, they are paid for the rest of that month and one more month. This can apply when a member ceases to be a member, or with a change of assignments
Quebec	X	X		2/12 annual indemnity per year of service	4	12	X		X	[9]	
Ontario	X	X	X	% of annual indemnity as determined by years of service[10]	6	18		X[11]	X		$7,000 also available up to a year after leaving office for professional training, education, retirement advice, etc.
Manitoba[12]	X	X[13]		1/12 annual indemnity per consecutive year of	1	6-12[14]	X				

Province/Territory	Eligibility			Amount						Comments
					Limits (in months)		Covered Earnings			
							Base Salary		Allowances	
	Defeat	Resign[1]	Death	Calculation Used	Min.	Max.	In effect on last day of service	For highest paid years of service	Ministerial/ committee service	Other (e.g., tax-free)	
				service[10]							
Saskatchewan	X	X[15]	X	1/12 annual indemnity per year of service	1	12	X				
Alberta	X	X	X	3/12 annual indemnity per year of service[16]	3	No max		X[17]	X	X[18]	
British Columbia	X	X[19]	X[20]	1/12 annual indemnity per year of service	4[21]	15	X				$9,000 also available for educational training or career counseling[22]
Yukon	X	X[23]	X	3/12 annual salary and allowances	3	3	X		X	X	
Northwest Territories	X	X	X[24]	1/12 annual indemnity for each consecutive year of service[25]	4	12	X[26]				MLAs who have served as cabinet ministers receive 12 months of regular MLA pay regardless of the number of years they have been in office[27]
Nunavut	X	X	X	6 weeks pay for each year of continuous service	1.5	12	X[28]		X		

1 "Resigns" indicates an MLA who has resigned for any reason (i.e. anyone who is in office at dissolution and does not reoffer, anyone who resigns due to serious illness at or prior to the dissolution of the Assembly, or anyone who resigns voluntarily before dissolution). Unless otherwise indicated by a footnote, an X in this category means MLAs in that province or territory may collect a full transition allowance if they resign for any reason.

[2] The transition allowance can be received again if a Nova Scotia MLA is re-elected after having drawn a transition allowance; however, the amount of the original allowance paid is deducted from the new allowance. See Section 40.6 of the Nova Scotia *House of Assembly Act*, located here: http://nslegislature.ca/legc/statutes/housassm.htm

[3] In Nova Scotia, only the MLA base salary ($86,619 as of August 2011) is used for everyone who is eligible to receive a transition allowance, including members who have served in higher office (i.e. Premier, Cabinet Minister, Committee Chair, etc.).

[4] Subsection 32.2(3.1) of New Brunswick's recently revised *Legislative Assembly Act* states: "a person who is a member of the Legislative Assembly and resigns as a member or otherwise ceases to be a member for any reason, before the Legislative Assembly is dissolved, shall be paid a transition allowance equal to one-twelfth of the person's annual indemnity as a member, at the rate in force immediately before the person ceased to be a member" (http://www.canlii.org/en/nb/laws/stat/rsnb-1973-c-l-3/latest/rsnb-1973-c-l-3.html). Therefore, an MLA who resigns voluntarily before dissolution is not eligible to receive more than 1/12 of their annual indemnity, no matter how many years of service they have accumulated.

[5] According to section 47 of the Prince Edward Island *Legislative Assembly Act*, the remuneration used to determine MLA transition allowances is "the annual indemnity payable under section 40 [i.e. as determined by the independent Indemnities and Allowances Commission] and the expense allowance payable under section 41 [note: this was repealed in 1994] and, where the member is also a member of the Executive Council, includes the salary payable to a member of the Executive Council, and also includes the salaries payable to the Leader of the Opposition, Speaker, Deputy Speaker and other salaries payable to members in respect of the performance of official functions in addition to their functions as members" (http://www.canlii.org/en/pe/laws/stat/rspei-1988-c-l-7/latest/rspei-1988-c-l-7.html).

[6] The Newfoundland House of Assembly uses the term "severance pay" rather than "transition allowance".

[7] Newfoundland's *Members' Compensation Review Committee Review of MHA Salaries, Allowances, Severance Payments and Pensions* (2009) recommended that "An MHA who voluntarily resigns prior to a general election for reasons other than his or her own serious illness or a serious illness in his or her immediate family shall not be eligible for Severance Pay" (see page 28 of the *MCRC Report*, located here: http://assembly.nl.ca/pdf/MCRCReport2009.pdf). However, after extensive debate, the House of Assembly Management Commission (HAMC) voted to reject that recommendation in order to maintain the severance pay requirements as established by the *Green Report* in 2007. For more information, see the Hansard for the February 3, 2010 meeting of the HAMC here: http://www.assembly.nl.ca/mancomm/hansard/2010/February/2010-02-03.htm

[8] This has been the approved method of calculating MHA transition allowances since the *Green Report* of 2007 recommended it in order to adjust to the higher salaries provided to MHAs after they chose to get rid of the tax-free allowance they received previously. The *Green Report* states: "The rules with respect to calculation of severance payments for MHAs should be adjusted to ensure that the amount of severance a retiring MHA will receive will not be greater, in absolute terms as a result of implementation of a fully taxable salary for MHAs, than it would be under the existing payment arrangement of an indemnity plus a non-taxable allowance." This recommendation (Section 62.1) was supported again at the June 7, 2011 meeting of the House of Assembly Management Commission (the Hansard for this meeting can be found here: http://www.assembly.nl.ca/business/commission/2011-06-07.htm)

[9] According to the *Activity Report of the National Assembly of Quebec, 2010-2011*, the transition allowance "includes allowances granted when Member leaves" (see page 98 of the following document: http://www.assnat.qc.ca/en/document/48107.html).

[10] In Ontario, the amount of severance is determined by the following formulas: MPPs who have served fewer than four years receive six months' average annual salary; MPPs who have served between four and eight years receive 12 months' average annual salary; and MPPs who have served more than eight years receive 18 months' average annual salary.

[11] The transition allowance for MPPs is calculated using the average annual salary for the highest paid consecutive 36 months of service. If an MPP has served for fewer than 36 months, the allowance is calculated using the average annual salary for the longest period of consecutive service. For more details, see Section 69.3 of the *Legislative Assembly Act*: http://www.canlii.org/en/on/laws/stat/rso-1990-c-l10/latest/rso-1990-c-l10.html

[12] In Manitoba, MLAs who were members immediately before the April 25, 1995 election receive a severance allowance and are not eligible for a transition allowance. Members elected on April 25, 1995 and subsequently are eligible for a transition allowance. The minimum number of months payable for transition allowances is one (determined by the MLA's length of service) and the minimum for severance pay is three. For more on the calculations used to determine Manitoba MLA transition allowances, see pages 37-38 of the *Members' Retirement Benefits Regulation*, found here: http://www.gov.mb.ca/legislature/members/regulations/membersretirementbenefitsregulation.pdf . For details on the calculations for severance allowances, see Section 52.21 of *The Manitoba Legislative Assembly Act* here: http://web2.gov.mb.ca/laws/statutes/ccsm/l110e.php

[13] In Manitoba, transition allowances are not given to MLAs who resign before the Assembly dissolves for any reason other than serious illness.

[14] While the maximum amount payable for severance allowances is 12 months, according to the Manitoba Review Commissioner's summary of MLA retirement benefits (effective April 2011), the maximum pay for transition allowances is determined by the following: "Members who choose to not run again in an election or who are defeated in the nomination process are eligible for this allowance to a maximum of 6 months' pay. Members who are defeated in an election are eligible for this allowance to a maximum of 12 months' pay" (http://www.reviewcommissioner.mb.ca/mla.html).

[15] According to Directive 13.1 of the Saskatchewan Legislative Assembly's Board of Internal Economy (April 1, 2011): "each Member who: (a) ceases to be a Member due to defeat at the polls; (b) was a Member at dissolution but does not stand as a candidate for re-election; or (c) resigns his or her seat prior to dissolution. A Member is not eligible to receive the transition allowance if the Member: (a) is receiving a superannuation allowance pursuant to *The Members of the Legislative Assembly Benefits Act*, during the period of transition; (b) is appointed to a paid position on a government board, commission or agency during the period of transition; or (c) begins employment or returns to his or her former position or employment in a provincial government department, Crown corporation, agency, board or commission during the period of transition" (www.legassembly.sk.ca/members/Docs/BOIE_Directives_04012011.pdf).

[16] In lieu of a pension plan, Alberta MLAs are paid an RRSP allowance equaling 50% of the maximum RRSP limit allowable under Canada's *Income Tax Act*.

[17] The Alberta transition allowance is calculated using the average monthly salary based on an MLA's three highest paid years of service. If an MLA has served for fewer than three years, the allowance is calculated using the average monthly salary for his or her total term of service.

[18] This salary includes the annual indemnity as well as the tax-free allowance to which every member is entitled, RRSP allowance, remuneration for other offices outside of MLA, special member's allowance, and remuneration for government committees. Recently *Bill 202 (Legislative Assembly Transition Allowance Amendment Act)* was proposed in Alberta to reduce MLA severance pay by two-thirds, but this was voted down overwhelmingly in March 2011.

[19] British Columbia MLAs do not receive a transition allowance if they resign before the Assembly dissolves.

[20] According to Part 1, Section 6 of British Columbia's *Members' Remuneration and Pension Act* (current to July 6, 2011), "If a member of the Legislative Assembly dies while in office, the basic compensation and salary to which the member would have been entitled under this Act or the *Legislative Assembly Management Committee Act* had the member lived until the end of the sixth month after the month in which the member died, must be paid to the estate of the member" (http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96257_01#section6).

[21] An MLA in British Columbia receives a basic monthly salary for a minimum of four months up to the date he/she is re-employed or to a maximum of 15 months, whichever comes first.

[22] This allowance is only available upon the MLA presenting receipts, and the Speaker has the power to extend the benefit in exceptional circumstances.

[23] The only exception for eligibility for the transition/severance allowance is an employee of the Yukon Government who is granted a leave of absence and who serves one term of office as an MLA.

[24] According to Section 17.4 of the Northwest Territories' *Legislative Assembly and Executive Council Act*, on the death of an MLA the annual indemnity is paid until the end of the month in which the death occurs (http://www.justice.gov.nt.ca/PDF/ACTS/Legislative%20Assembly%20and%20Executive%20Council.pdf).

[25] This amount is calculated without regard to any period of service prior to December 7, 1999.

[26] Section 31.1 of the Northwest Territories' *Legislative Assembly and Executive Council Act* (link provided in endnote 24 above) states that the transition allowance shall not exceed the basic annual indemnity in effect on the MLA's last day of service (which is currently set at $94,906); therefore, the tax-free allowance given to MLAs in this territory is not included in the allowance calculation.

[27] This is according to *Bill 16(6): An Act to Amend the Legislative Assembly and Executive Council Act* (passed on March 10, 2011). For more information, see: http://www.assembly.gov.nt.ca/_live/documents/content/11-03-10Bill1.pdf and http://www.nnsl.com/frames/newspapers/2011-04/apr22_11lee.html

[28] In Nunavut, the allowance is based on the MLA's basic indemnity plus any extra indemnity as applicable, but it does not include the Nunavut Northern Allowance or any committee pay that has been earned.

Appendix D

Transitional Allowances Comparison

Transitional Allowances Comparison

	Member									
Location	A	B	C	D	E	F	G	H	I	J
Nova Scotia	23,214	46,428	46,428	46,428	86,619	86,619	86,619	86,619	46,428	86,619
New Brunswick	28,873	43,310	43,310	7,218	43,310	43,310	7,218	43,310	43,310	43,310
PEI	28,873	57,746	57,746	57,746	86,619	86,619	86,619	86,619	89,485	134,228
Newfoundland	23,445	46,890	46,890	46,890	70,335	70,335	70,335	70,335	46,890	86,619
Quebec	57,746	86,619	86,619	86,619	86,619	86,619	86,619	86,619	134,228	134,228
Ontario	86,619	86,619	86,619	86,619	129,929	129,929	129,929	129,929	134,228	201,342
Manitoba	28,873	57,746	43,310	0	86,619	43,310	0	86,619	57,746	86,619
Saskatchewan	28,873	57,746	57,746	57,746	86,619	86,619	86,619	86,619	57,746	86,619
Alberta*	97,844	195,688	195,688	195,688	391,376	391,376	391,376	587,064	290,906	581,812
British Columbia	28,873	57,746	57,746	0	108,274	108,274	0	108,274	57,746	108,274
Yukon*	21,655	21,655	21,655	21,655	21,655	21,655	21,655	21,655	33,557	33,557
NWT	28,873	57,746	57,746	57,746	86,619	86,619	86,619	86,619	86,619	86,619
Nunavut	39,978	79,956	79,956	79,956	86,619	86,619	86,619	86,619	123,903	134,228

Member Profiles
Member A: Defeated after 4 years (did not serve as Minister)
Member B: Defeated after 8 years (did not serve as Minister)
Member C: Did not run again after 8 years (did not serve as Minister)
Member D: Resigned other than for serious illness after 8 years (did not serve as Minist
Member E: Defeated after 16 years (did not serve as Minister)
Member F: Did not run again after 16 years (did not serve as Minister)
Member G: Resigned other than for serious illness after 16 years (did not serve as Mini
Member H: Defeated after 24 years (did not serve as Minister)
Member I: Defeated after 8 years (served as Minister)
Member J: Defeated after 16 years (served as Minister)

Salary information:
Annual base salary: 86,619
Ministerial pay: 47,609

* Amounts presented for this province/territory do not include expense allowances and money for committee service to which the MLA would be entitled

Appendix E

Comparison of Pension Plans

And Other Retirement Programs

Allowances Across Canada

Plan for:	Newfoundland & Labrador	Nova Scotia	Prince Edward Island	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
Type of Pension Plan	Defined Benefit	Defined Benefit	Defined Benefit	Defined Benefit	Defined Benefit	Defined Contribution	Defined Benefit	Defined Contribution	RRSP	Defined Benefit	Defined Benefit	Defined Benefit	Defined Benefit
Unreduced Retirement	Age 55 & 5 years of service	Age 55 & 5 years of service	Age 55 or when age plus service is greater than or equal to 70 (Age 60 if not vested in supplementary)	Age 60 & 8 years of service	Age 60		Age 55 & 1 year of service			Age 65 & 6 years of service	Age 55 & 6 years of service	Earliest of age 60, 30 years of svc, or age+svc=80	Earliest of age 60, 30 years of svc, or age+svc=80
Member Contribution Rate	9%	10%	8%	9% Indemnity & 6% Executive	9%		7%	9%		11%	9%	9%	9%
Benefit Formula	3.5% x BAE3 (Indemnity) x Member Service + 3.5% x BAE3 (Executive) x Executive Service - CPP offset at age 65 (0.6% FAYMPE x svc)	5% x FAE3 (Indemnity) x Member Service + 5% x BAE3 (Executive) x Executive Service	4% x Career Average Salary (Indemnity + Executive) Each year's benefit indexed by CPI (Max of 6%)	3% x BAE3 (Indemnity) x Member Service + 3% x BAE3 (Executive) x Executive Service	4% x Career Average Salary (Indemnity + Executive) Each year's benefit indexed by CPI	10% Employer Cont.	2% x BAE5 x Service	9%, but not such that total contribution exceeds ITA maximum	50% of each year's RRSP max cont (taxed)	3.5% x BAE3 x Service	5% x BAE4 x Member Service + 5% x BAE4 x Executive Service	4% x BAE4 (Indemnity) x Member Service + 4% x BAE4 (Executive) x Executive Service	5% x BAE4 x Member Service + 5% x BAE4 x Executive Service
Pre-Retirement Indexing	None	None	Full Indexing (Max of 8%)	Full Indexing (Max of 5%)	Full Indexing		Assumed None			Conditional Assumed 50%	Full Indexing	Full Indexing	Full Indexing
Post-Retirement Indexing	None	Conditional; based on funded state of PSSP	CPI less 2%	Full Indexing (Max of 5%)	Greater of: 50% of CPI or CPI less 3%		Assumed None			Conditional Assumed 50%	Full Indexing	Full Indexing	Full Indexing
Maximum Service	20 years	15 years	No Maximum	25 years	25 years		35 years			20 years	15 years	Accrual capped at 75% of FAE, ~19 yrs	15 years

Plan for:	Newfoundland & Labrador	Nova Scotia	Prince Edward Island	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
Vesting	After 5 years of service and 2 terms	After 5 years of service and 2 terms	Immediate for basic pension, 5 years for supplementary and 2 terms	After 8 years of service	Immediate	Immediate	After 1 year of service	After 1 year of service	Immediate	After 6 years of service	After 6 years of service	After 1 term or 4 years of service	After 1 term or 4 years of service
Earliest Retirement Age & Reduction	Age 50 & 6 years of service at 6% per year reduction	Age 45 & 5 years of service, 6% per year reduction to a max of 50%	Age 50 & 6% per year reduction 3% for basic pensic only)	Age 55 & 8 years of service at 5% per year reduction	No min age, per year reduction is 3% before 50, 2% from 50-55, 1% from 55-60		Age 55 0% Reduction	Age 50		Age 60 & 3% per year reduction	N/A	No min age 3% per year early	No min age 3% per year early
Survivor Benefits	60% Joint & Survivor	60% Joint & Survivor	60% Joint & Survivor	50% Joint & Survivor	60% Joint & Survivor		Option Selected by Member			60% Joint & Survivor	75% Joint & Survivor	66% Joint & Survivor	66% Joint & Survivor

Appendix F

Nova Scotia PSSP Valuation Assumptions

Nova Scotia Public Service Superannuation Plan

Valuation Assumptions

	PSSP Valuation December 31, 2010	Used in EAC Calculation
Inflation	2.5% per annum	2.5% per annum
Salary increase	1.5% plus merit in 2011; thereafter 2.5% per annum plus merit ranging from 0.0% to 2.5%	2.5% per annum
Total rate of return on assets (i.e. discount rate)	6.80% per annum	6.80% per annum
Average retirement age	35% - earliest age for unreduced pension, but not before age 65 (age 55 for a member first hired on or after April 6, 2010)	100% at earliest pensionable age
Mortality	UP – 94 projected with generational mortality improvements using scale AA	UP – 94 projected with generational mortality improvements using scale AA

Appendix G

Equivalent Annual Contribution Summaries

Equivalent Annual Contribution Summaries

%	A	B	C	D	E	F	G	H	I	J
NS	0%	8%	19%	38%	38%	32%	15%	32%	29%	34%
NL	0%	3%	10%	23%	22%	21%	11%	21%	19%	22%
NB	0%	7%	12%	20%	27%	18%	17%	19%	17%	20%
PE	3%	15%	22%	34%	33%	30%	23%	30%	29%	32%
SK	9%	9%	9%	9%	9%	9%	9%	8%	9%	9%
AB	13%	13%	13%	13%	13%	13%	13%	8%	11%	11%
BC	0%	0%	4%	12%	24%	12%	9%	12%	11%	18%
QC	22%	20%	29%	37%	35%	31%	23%	31%	29%	32%
NWT	19%	17%	25%	36%	39%	31%	21%	31%	28%	33%
ON	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
MN	0%	0%	3%	10%	10%	9%	6%	9%	9%	14%
YK	0%	26%	38%	56%	52%	46%	22%	46%	42%	48%
NU	26%	23%	34%	47%	51%	39%	22%	39%	36%	41%

Appendix C

Press release announcing Pension Review Panel

Government of Nova Scotia | gov.ns.ca

Pension Review Panel Announced

Speaker's Office
May 5, 2011 12:00 PM

NOTE: Biographies of the panel members can be viewed at
http://gov.ns.ca/govt/pensionreview/Pension_Review_Panel_Biographies.pdf

The Terms of Reference can be viewed at
http://gov.ns.ca/govt/pensionreview/Appointment_and_Terms_of_Reference_28_Apr_2011.pdf

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Speaker of the House of Assembly Gordie Gosse announced today, May 5, the three-member panel to review the pensions of the Members of the Legislative Assembly.

The Speaker appointed retired Supreme Court Justice David Gruchy as the chair. Mr. Gruchy selected citizens John Morash and Ron Smith to complete the independent panel.

"I am very pleased to have the panel in place and to have the quality of representation that we have here," said Mr. Gosse. "The panel remains completely independent and I know the members will provide a thorough and timely review of the MLA pension plan."

Following initial review and information gathering, the panel will be accepting submissions from the public through e-mail and mail to the Chief Clerk of the House of Assembly. Requests for submissions will be advertised in local newspapers. Advance submissions will still be accepted by mail to the Chief Clerk's Office, Province House.

The panel has developed the terms of reference for the review. They will submit a final report to the Speaker within six months.

FOR BROADCAST USE:

Speaker of the House of Assembly Gordie Gosse announced today (May 5th) the three-member panel to review the pensions of the Members of the Legislative Assembly.

The Speaker appointed retired Supreme Court Justice David Gruchy as the chair. Mr. Gruchy selected citizens John Morash and Ron Smith to complete the independent panel.

The panel has developed the terms of reference for the review. They will submit a final report to the Speaker within six months.

-30-

Media Contact: Michelle Lucas
Communications Nova Scotia
902-424-2936

Appendix D

Press release inviting public input and letter to pension recipients inviting input to the Pension Review Panel

Pages D-1 to D-3

Pension Review Panel Seeks Public Input

Speaker's Office
June 9, 2011 3:11 PM

The MLA Pension Review Panel is seeking public input and invites written submissions from interested persons or groups.

On May 5, the Speaker of the House of Assembly appointed a three person panel composed of retired Nova Scotia Supreme Court Justice David Gruchy, John Morash, former chair of the Nova Scotia Utility and Review Board, and Ronald Smith, former Chief Financial Officer of MTT (Aliant)and Emera, to examine all aspects of MLA pensions and retirement benefits.

"It is important to the panel members that Nova Scotians have an opportunity to be heard on the issue of MLA pension review and it is for this reason that we invite written submissions," said Mr. Gruchy.

Submissions may be sent by e-mail to MLAPensionReview@gov.ns.ca
Or by regular mail to MLA Pensions Review c/o The Clerk's Office
1st Floor, Province House, P.O. Box 1617, Halifax, N.S., B3J 2Y3.

Submissions will be accepted until Sept. 2. All submissions will be included in the panel's written report to the Speaker in early November.

FOR BROADCAST USE:

The MLA Pension Review Panel is seeking public input and invites written submissions from interested persons or groups.

Submissions can be sent to the Chief Clerk's Office at Province House by mail or e-mail until September 2nd. All submissions will be included in the panel's written report to the Speaker in early November.

On May 5th, the Speaker of the House of Assembly appointed a three person panel composed of the retired Nova Scotia Supreme Court Justice David Gruchy, John Morash, former chair of the Nova Scotia Utility and Review Board, and Ronald Smith, former Chief

Financial Officer of MTT (Aliant)and Emera, to examine all aspects of MLA pensions and retirement benefits.

-30-

Media Contact: Michelle Lucas
Communications Nova Scotia
902-424-2936
E-mail: lucasml@gov.ns.ca

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Page last updated 2011-10-18.
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Date letter being sent

Name and address of pension recipient

Dear Mr. Mrs. or Ms. ,

As you are likely aware, Speaker Gosse on May 5th, 2011, appointed a three person Panel composed of the Honourable David Gruchy, Q.C., retired Nova Scotia Supreme Court Justice, Mr. John Morash, C.A., former chair of the Nova Scotia Utility and Review Board and Mr. Ronald Smith, former CFO of MTT (Aliant) and Emera, to examine all aspects of MLA pensions and other retirement benefits. The scope of review is quite large and the Panel is expected to submit their report to the Speaker within six months of their appointment.

With the assistance of the Nova Scotia Pension Agency this letter is being sent to all persons currently in receipt of benefits under the MLA pension plan for the purpose of inviting your submissions to the Panel on the issues under examination.

Should you wish to respond to this invitation you may make written submissions and/or request a meeting with the Panel. Written submissions can be sent no later than September 2, 2011, electronically by e-mail to: MLAPensionReview@gov.ns.ca

Or by regular mail to: MLA Pensions Review

c/o The Clerk's Office

1st Floor, Province House

P.O. Box 1617

Halifax, NS B3J 2Y3

Should you wish to schedule a meeting with the Panel, please contact the Clerk's Office at (902) 424-5978 indicating your name, telephone number and three dates you would be available for a meeting in Halifax. It would be helpful if your available dates could be in the near future but no later than September 2, 2011.

Yours truly,

Honourable David Gruchy, Q.C.

Chair – MLA Pension Review Panel

Appendix E Written submissions received by Review Panel

E-1	Fifty (50) submissions received by e-mail	Pages E-1-1 to E-1-67
E-2	Eleven (11) submissions received by regular mail	Pages E-2-1 to E-2-34
E-3	Three (3) submissions received at private meetings with Panel	Pages E-3-1 to E-3-11

From: Duncan Mac Isaac <dmacisaac_4@hotmail.com>
To: <mlapensionreview@gov.ns.ca>
Date: 6/10/2011 12:01 am
Subject: Pensions

If MLAS with qualifications and expertise in any given area are to be attracted to politics, they must be remunerated and not expected to suffer in retirement for their commitment to public life. For one to leave a middle class job {or any other} with a reasonable pension plan and income to offer for political office and suffer down the road because they want to serve their province is ludicrous. At the very least, the province should consider paying the pension benefits of those in such plans, and set up reasonable benefits for those who are not in such plans. Political office requires numerous sacrifices . Being penalized financially should not be one of them. Our MLAS are not over paid. More accountability with expenses; yes, but let us not go over board. They need respectable pensions.

Sincerely,
Duncan Mac Isaac {Retired teacher}
R. R. #1 Liverpool, N.S.
B0T 1K0

From: "Frank Poole" <poole.frank@gmail.com>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 8:33 am
Subject: MLA pension panel seeks public input

MLA pensions should be brought in line with other public service pensions. In other words, the pension should be subject to a minimum age requirement (i.e. 55 years of age), years of elected service (minimum being 15 years), penalties (i.e. 5% reduction per year) for those not reaching the combination total of service plus age of 70 years. This is much more generous than our public and armed forces personnel receive. If a member is re-elected after a one term absence, they could elect to repay the time lost as a result of that absence. The pension should not be based on a set amount either. Example, if you serve 15 years, reach the age of 55 and retire, you would receive 50% pension based on the "base" salary of an MLA.

Frank Poole
Falmouth NS

Lord, keep your hand on my
shoulder and your hand over my mouth.

From: Jeff Norman <jeff.norman@me.com>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 9:00 am
Subject: pension reform

I am okay with private enterprise enhancing retirement benefits for their employees. If a business has been successful over time, then the employees should benefit.

As a newly retired teacher, it sickens me to see what our "esteemed" politicians will rake in as they receive their golden handshakes at the end of their political careers.

As a provincial government employee, our benefits should be equal and fair, following one set of rules.

To do otherwise, reflects the level of dishonesty and lack of morals that most politicians bring to the table.

Most of our representatives in all levels of our governments, federal, provincial or municipal, have made nowhere near the contribution to our communities that I have.

-Jeff Norman-

From: "Wilmont Hardy" <dwhardy@bellaliant.net>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 9:02 am
Subject: MLA Pension Review

Good Morning:

As a citizen and taxpayer of Nova Scotia I appreciate the opportunity to provide a comment on the above noted subject. Our MLA,s certainly deserve a pension however to put it very simply and plainly the Province and each MLA should contribute equally dollar for dollar to a maximum of 5% of the MLA,s salary. Thank you. C Wilmont Hardy

From: "rbtaylor@ns.sympatico.ca" <rbtaylor@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 9:31 am
Subject: Pension Review

Just a few comments for your consideration as the MLA Pension is being reviewed. To state the obvious, the present MLA Pension Package is not affordable or sustainable.
Therefore, without involving a whole lot of money or time for reviewing their 'entitlements', try this: Adopt the Pension Package in place for the "other members of the public service"; of which I was one until I retired almost 6 years ago. All the details are laid out in clear, concise language so there is no need for me to re-iterate the obvious.
The one point where this might differ is with the years of service as few elected 'members of the public service" actually serve for more that 10 years on average, compared with 35 years being the maximum point for full pension. Then again, a pension is in actuality, a delayed form of receiving earned income on the salary being earned during one's time of employment as a civil servant and accrues with interest over that time and until the time of retirement. I would suggest that for MLA's, the requirement for being eligible to receive a pension be 5 years and if a MLA obtains a pension after 5 years or more, then that is their 'delayed income they saved for that period of employment by the Province of Nova Scotia". The rule of 85 would not apply but age of 55 could be applied as the eligible point of receiving their pension. The same matching of dollars by employee and employer for non-elected persons be applied for the MLAs. I am trying to keep this as simple as possible as that usually works best for most things.
I thank you for taking the time to read this and I trust you may find some of the points to be worth actual consideration. R. Brian Taylor

From: Pierre Coxworthy <coxworthy3@gmail.com>
To: <mlapensionreview@gov.ns.ca>
Date: 6/10/2011 11:14 pm
Subject: gold plated mla pensions

MLA pensions should be realigned to mirror private pensions on civil street at 2% per annum, not be guaranteed a healthy pension after only 5 or 6 years of service, and not have the 4(taxpayer) to 1(MLA) ratio of funding. I may not be quite accurate on the numbers i have used but I know most civil street pensioners have to live on a beer budget, whereas an MLA pensioner can live on a champagne budget at the taxpayers expense. No politicians pension should be as lucrative as it is.

Thank you for the opportunity to express my opinion.

From: Peter Stout <pstout@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 12:11 pm
Subject: MLA Pension Review

Hello:

I believe MLA's should fall under the same pension plan as all other government workers.
I cannot see any rationale for the current overly generous system.
Hopefully this waste of our taxes will be corrected soon!

Peter Stout
Tantallon
902 826 7667

From: "Brian Matthews" <dinosaur@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/10/2011 12:39 pm
Subject: Public Input on MLA Pensions
Attachments: Pension Plans for MLAs.doc

Please find my comments attached. Thank you.....Brian

Brian Matthews
At The Rookery
67 Park St., Truro NS
B2N3J5
893-3885

Pension Plans for MLAs

Inequities exist between the tax payer and elected representatives. Pension plans for MLAs were created at a time when pay was maybe considered inadequate to attract good quality candidates from the private sector. At that time there was generally only one type of pension plan and it was a Defined Benefit (DB) whereby employees and employers contributed to pension plans and retirement payouts were based on years of service. Many of these plans have been disbanded in recent years because of the inability of companies to maintain their unfunded liability for future payments. By moving to a Defined Contribution DC plan where employers and employees continue to contribute to a plan, the benefits are now based on the value of the pension at retirement and the usual mechanism is a conversion to an annuity or RIF.

Also when these pensions were created there was not a mechanism to allow employees with existing pension plans to move them to their new employer when they were elected as a member of the House.

Furthermore, compensation paid to MLAs was a convoluted formula that allowed for tax free portions and taxable portions. This has now been done away with so that MLAs are compensated reasonably for their efforts and also have reasonable expense allowances which are appropriately monitored.

Over the years, some well publicized scandals have occurred when MLAs (and MPs and Senators) have been found in contravention of various policies and been removed from the house, some even pursued for criminal offences. This does not remove their right to a defined benefit pension. This aspect has created a real backlash against politicians who may be seen as only being in the system for themselves.

There would be two types of individuals who are elected. Those with existing pension plans with their former employer and those without any pension plan because of their previous employment status or because they were self employed. The first category could be given the option of moving their former pension plan to a new MLA pension plan without corresponding contribution from the public purse or choose to leave it with their former employer if they deem it to be to their benefit. The latter category had no anticipation of a pension plan except that which they created for themselves through existing tax sheltered programs.

I propose that we adopt a process that rewards MLAs like any other employee for being employed a certain length of time. We create a new Pension Plan that requires 10% (arbitrary) of salary, contributed by the province to a DC pension plan. If sufficient contribution room is available, MLAs could contribute whatever amount they desire from their own salaries. The investment of these funds could be in plans administered by the private sector giving a wide variety of options to the participants.

This proposal would have the following benefits:

1) Reasonable retirement option for MLAs comparable to the general public.
2) Low cost administration resulting in overall savings to the province.
3) Removal of ongoing contributions by the province for those removed for illegal activities

4) Members who did not qualify previously due to years of elected service would have a pension plan from the first day of election.
5) Transparency for all concerned.

From: "nwbishop" <nwbishop@ns.sympatico.ca>
To: <MLAPensionreview@gov.ns.ca>
Date: 6/10/2011 2:12 pm
Subject: Golden Pension for MLAs

I am a previous civil servant who worked for the Nova Scotia Government for 32.5 years. I am retired now. I will be 65 this year and will be clawed back on my pension. I read about the golden pension for MLAs pensions and I couldn't believe it. I worked hard over the years and they only have to work 6 years. It sure says a lot for the civil servants that have to work up to 35 years just for 70%.

Here is my input about this:
When you run in elections it is a choice you made which is not a permanent job and you know that at the time. Pensions should not apply to these positions. You can always buy RSPs where it is not a stable employment to cover the years you are a MLA. Why should you get a retirement pension and only serve after 6 years. That is not the only thing after 45 years you can draw your pensions at a lesser rate. I am not sure at 55 years what percentage you will receive but I bet it is higher then ours is. Another question are you clawed back at 65 years of age? I do not know if you are or not but I hope the answer is yes. You know it is hard sitting home on pension hearing what these MLAs are going to get. It makes me sick to my stomach for all the years I have worked with government and these people receiving these high pensions. Good example of the MLAs under investigation with the law and some getting $54,000.00 a year pension etc. Hard to take in.

It they are to receive a pension (which I totally disagree with) they should be under the same pension act for civil servants. I just wanted to make my views on this issue and I cannot suggest ideas because I do not thing this a right. nwbishop@ns.sympatico.ca

From: dennis creamer <ev.creamer@live.ca>
To: <mlapensionreview@gov.ns.ca>
Date: 6/11/2011 12:12 pm
Subject: MLA Pension Review Comments

I have never heard a politician running for office saying they were doing so because of the pension. If that was one of their stated criteria for running the electorate would not elect them. The possibility of a pension does not appear to be an enticement to attract candidates to run for provincial office, and if it is they should not be running. And certainly provincial politicians should not have one of, if not the most generous defined pension plan offered in the province. Five percent of qualifying pensionable earnings to a maximum of seventy five percent for time served in office is obscene. Even career civil servants, who are perceived by the general public to have a very generous defined pension plan, only receive two percent of their qualifying pensionable earnings for each year of service. Most politicians have a career outside of politics.

MLA's should be offered an optional defined contribution plan only where the province would match the MLA's contribution up to a maximum of approximately six percent. This plan would still be more generous than that available to the majority of their constituents and would relieve the taxpayers of the Province from assuming all of the risk associated with future pension payments.

Dennis Creamer

Halifax, Nova Scotia

From: John Winters <jw44@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/12/2011 11:10 am
Subject: MLA pensions

You must be joking. You have to ask the public how it feels about MLA pensions?

We are one of the most highly taxed provinces in Canada, are one of the poorest provinces in Canada, have chronic unemployment, have moribund population growth (decline in rural areas), politicians who have a difficult time understanding the ethical principles of public service and you have the sheer effrontery to ask such a stupid question?

Clearly our politicians fail to understand that public service is just that - service. They are supposed to serve not take.

John Winters
56 Pierce Point Road
Liverpool, Nova Scotia
B0T 1K0
902-356-2362

From: Clarence and Kathy Guest <clarenceandkathy.guest@gmail.com>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/11/2011 11:12 am
Subject: MLA Pension Plan Review

I feel the MLA Pension Plan in its present form is overly generous and badly needs to be changed.

If I understand it correctly, MLA`s receive a 5% per year benefit for up to 15 years of service, meaning they would qualify for a 75% pension if they served 15 years. Having worked for the Province of Nova Scotia for 24.5 years and receiving a 49% pension, it doesn`t seem equitable.

I would recommend one of two options.

1. Provide the same pension benefits to MLA`s that government employees receive, i.e. 2% per year pro-rated on the number of months they are ``employed``

2. Provide contributions to a RRSP with the MLA and government each contributing an equal amount. What the MLA`s do with the money once it goes to the RRSP would be up to them.

Regards
Clarence Guest
45 Ellerslie Crescent
Dartmouth, NS B2W 4P4
/462-5197

From: chris thurber <peykash@hotmail.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 6/14/2011 6:48 am
Subject: MLA pensions.

Dear Panel Members, I am one of the lucky ones who was able to retire with a fair pension. However, in order to get that I had to work for thirty years in order to get a 60 % pension based on two per cent a year. I feel that MLA,s should have their pensions based on the same formula. In lieu of that pension they can be reimbursed the money they paid in plus interest at the end of their term. Chris Thurber, Digby.

From: Horst <hwemartin@eastlink.ca>
To: <mlapensionreview@gov.ns.ca>
Date: 6/15/2011 12:22 pm
Subject: MLA pension review

My submission to the board is very simple and straight forward.

The MLA's pension and retirement benefits have to be brought in line with N S Civil Service benefits and pensions.

The present gold plated benefits of our MLAs are unacceptable in any way, shape or form, although not exactly surprising, since the members have been able to dictate their own terms.

I wish I would have been able to set my own benefits and pension when I was working. I was never that fortunate.

Thank You

Horst W. Martin
14 Lichen Lane
Lr. Sackville NS
B4C 4E3

902-864-9445

From: Peter and Judy Woods <peterandjudy@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: Thursday - June 16, 2011 6:50 PM
Subject: Pension Review

Do the Males pay tax on their pensions the same as seniors do on their OAS, or is this another " freebie" allocated to them? It is interesting how Trevor Zinc's trial was delayed long enough for him to qualify for his pension, which would never have happened to most people not working for the Province. The current NS government along with the Regional Municipality of Halifax has earned our total disrespect and will have to work long and hard to earn it back. All the Males who will be entering the court system should not receive any pension or benefits.

From: john metcalf <sparker66@hotmail.com>
To: <mlapensionreview@gov.ns.ca>
Date: 6/21/2011 7:08 pm
Subject: Nova Scotia MLA Pension Review

To whom it may concern:

As requested, the following comments are submitted for your consideration:

1. Consider, that the minimum prerequisites to become an MLA are,

   (a) To be of majority age,

   (b) To be a Canadian Citizen,

   (c) To to be able to read and write,

   (d) To be able to speak French, English, or Both.

   (e) Have average, or above average intelligence, and

   (f) To be the winning candidate in a provincial election.

2. An MLA is no more and no less than a public servant, and should not be entitled to more benefits than any other public servants, such as members of the Canadian Armed forces, RCMP, and other non-political government workers.

3. I submit, that the current 6 years (2 terms), that an MLA must serve to become eligible for a life pension, is obscenely inadequate! This time served requirement, should be increased, to at least the minimum time members of the Canadian Armed Forces, RCMP, etc, are required to serve before being eligible for a life pension. I believe that time is 13 years, at which time a board is convened to consider if a life pension or return of contributions is appropriate.

4. MLA Contributions to Pensions should also be structured after those of the Canadian Armed forces, RCMP, etc.

5. Queries concerning this Email may be forwarded to my Email address, or Phone (902) 843-5493.

Respectfully Yours Truly,

John L. Metcalf

From: "A.I." <Merimart@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: Monday - June 27, 2011 9:57 AM
Subject: Sir or Madame. Re: Pension review...

My name is Arthur Irving and I am of the bellef that the pension for disabled people is discriminatory. In case, I was made aware of Power supplements of two hundred and fifty dollars made payable to the following persons.
!/ Low Income persons
2/ Pension persons
3/ landed immigrant's
4/ People on social assistance either provincially or civically

And disabled persons could not even apply for this supplement. This makes the process for giving this supplement prejudicial to disable people.

After messaging Diane Finley, regarding this none ability for disabled persons to have the right to apply for this supplement, I received a return message which was disturbing. It stated that " disabled persons were never considered for the supplement and she had no answer as to why this was so and that it just was" Further questioned why this thought process was in place she retorted," I don't really know, maybe because most disabled people live in places where power is included" I replied to her stating that in many cases the majority of people on disability pension's had been working for a living and paying taxes like everyone else, to find themselves placed in a position where their right to sue a company had been removed, to have in it's place a system of Workers compensation paid for by the employers so that the employees could no longer take legal action against them, giving the board's the rights to decide how and when they will pay the people who become disabled, and most get a pension of pennies on the dollar compared to what their wages had been. To have the pension office make the determination after being on the WCB plan that the last five years were to be used to determine any pension and if you were below a certain age you got half the amount.
Each year the cost of living increases by dollars where the increase paid in pensions increases by pennies. Where is the justice for the disabled. If a person is determined to be disabled for life, Why are they not allowed to draw full pension rather than to have to suffer or in many cases live on the streets of this country built on the backs of these workers. The disability pension requires new legislation to include the disabled people in anything the government allows a normal pensioner if determined to be disabled for life. Not to do this is prejudiced toward these people who worked and paid their taxes to have their rights to fair living be cut at ever step by the federal Government. The legislation should include a supplemental benefit to anyone determined disabled for life. Human rights must prevail. Why does the Government always treat those who work the hardest the worst? Moat disabled don't make enough to pay rent and buy groceries like anyone else on a retirement pension to make it through a month. We are saying that these people are less than equal citizens in the Country. A Landed immigrant makes thirty two hundred dollars Per month according to federal and provincial allowances.
A person on welfare provincially makes about the same as a disabled person while allowing them to make a living as well. A disabled person is not allowed to earn anything unless it is deducted from their cheque each month, and this makes them the lowest thought of person with the least amount of self esteem forgotten by those we worked for in paying our taxes each year, to be treated with no rights to live like the rest of the country. I am ashamed to say that Canada treats it's workers this way and have forwarded these complaint's as well to the United Nations so that they will know how Canada treats it people behind the Government and what it send to these inquiries. You too should feel remorse.

Arthur Irving

Halifax NS. B3M-1A8

902-404-2560

From: "Glen Bagnell" <gbagnell@ns.sympatico.ca>
To: "MLA Pensions" <MLAPensionReview@gov.ns.ca>
Date: 7/2/2011 11:06 am
Subject: FW: Sumission
Attachments: Personal Ltrhead.rtf

> July 4, 2011 re MLA Pensions Review
>
> As one of the former members of the NS Legislature I thought I would send
> some comments, which may not be relevant to the current situation but
> might give some historical perspective. I was a member from 1970 to 1978
> until the voters invited me to leave. Specifically I served eight years
> and one day. All of my pension contributions were returned as the
> qualifying time was 10 years and the full 70% pension was only available
> after 25 years as a member. I appeared in the '80s at those Pension
> hearings before the change and remember that the justification for 10
> years was having served two full terms but since in reality governments
> usually call an election shortly after four years that it was reasonable
> to change the qualification to 8 years. As the change was retroactive I
> repaid my premiums plus interest. I think my qualification was one-third
> of 70% of my last few years $24,000 remuneration. Today nearly 24 years
> later my MLA and Cabinet pension with the COLA increases is coincidentally
> about the same $24,000 a year.
>
> When I began my service in 1970 the MLA remuneration was $2,400 a year and
> serving in the cabinet was another $5,000 a year with no expense
> allowance for members within the Halifax County area and of course no one
> had a paid constituency office. It is interesting to note that nearly
> every member had a professional occupation and all except a few full time
> cabinet members (6 of 18) continued to work as your government
> remuneration could not support a family. At that time those of us in the
> medical field (13), when we included the two Undertakers, out numbered the
> Lawyers (12) and together we were more than 60% of the House. It was
> actually true that members on all sides offered to serve in order to make
> a difference in their communities and the Province at a considerable time
> and financial sacrifice with little thought if they would ever get a
> pension as it would be very small. I really think that serving 8 years or
> at least being elected on three occasions is a reasonable qualification.
> It is the right of every person to consider whether by now paying a
> substantial stipend, it has attracted a more able and experienced group of
> representatives.
>
> We had the bright idea that instead of a 6 week Spring Session each year
> we would meet about 8 weeks in the Spring and about 8 weeks in the Fall.
> By the time we left office the remuneration was $8,000 for MLAs and
> another $16,000 for Cabinet Ministers. All numbers subject to my memory
> at this stage in life.
>
> There are some ramifications of having been elected that few of us thought
> about compared to anyone else leaving a job. It is tougher to get
> re-established and perhaps that has always had some bearing on MLA pension
> benefits. As a Pharmacist we enjoyed then and still do being the most
> respected professional group in Canada. That does not apply to politicians
> or ex politicians. In 1978 I decided not to remain in the retail Pharmacy
> profession and seek other employment. At the time two major Nova Scotia
> corporations were seeking executive personal one requiring Pharmacy

> experience. Both groups said your experience is very beneficial but there
> is a new government and we think it would not be in our best interest to
> employ you. I got other similar comments elsewhere and found many of my
> colleagues received the same. Four years later when selected by
> Dartmouth City Council to be the Sportsplex general manager, all hell
> broke loose about me having been in politics but after much delay and
> debate, I got the job. I am sure none of us thought about that before we
> ran for office. After all these years I still get comments about being a
> politician, mostly in jest, but it always it applies to poor decision
> making, of not keeping a promise or putting your hand in the till. Yes,
> there are lifetime consequences of being elected.
>
>
> Having been conservative in my comments on pension criteria I now ask for
> liberal consideration of improving my own. As I now begin to think of
> life end decisions I have some different motivations. Should my spouse
> survive me, the Provincial benefits will be greatly reduced and of course
> my OAS and CPP will be gone. Hopefully this Commission will look at that
> situation to see if it conforms reasonably with what the situation for
> survivor benefits are in other Provinces for elected representatives.
>
> Thanks for the opportunity to make a submission.
>
> Glen M Bagnell
>
>
>
>
>

Hon. Glen M. Bagnell, PhC, E.C.N.S., C.M.

30-612 Brookdale Crescent
Dartmouth NS B3A 4T7
Phone (902) 465-5608
gbagnell@ns.sympatico.ca

July 4, 2011 re MLA Pensions Review

As one of the former members of the NS Legislature I thought I would send some comments, which may not be relevant to the current situation but might give some historical perspective. I was a member from 1970 to 1978 until the voters invited me to leave. Specifically I served eight years and one day. All of my pension contributions were returned as the qualifying time was 10 years and the full 70% pension was only available after 25 years as a member. I appeared in the '80s at those Pension hearings before the next change and remember that the justification for 10 years was having served two full terms but since in reality governments usually call an election shortly after four years that it was reasonable to change the qualification to 8 years. As the change was retroactive I repaid my premiums plus interest. I think my qualification was one-third of 70% of my last few years $24,000 remuneration. Today nearly 24 years later my MLA and Cabinet pension with the COLA increases is coincidentally about the same $24,000 a year.

When I began my service in 1970 the MLA remuneration was $2,400 a year and serving in the cabinet was another $5,000 a year with no expense allowance for members within the Halifax County area and of course no one had a paid constituency office. It is interesting to note that nearly every member had a professional occupation and all except a few full time cabinet members (6 of 18) continued to work as the government remuneration could not support a family. At that time those of us in the medical field (13), when we included the two Undertakers, out numbered the Lawyers (12) and together we were more than 60% of the House. It was actually true that members on all sides offered to serve in order to make a difference in their communities and the Province at a considerable time and financial sacrifice with little thought if they would ever get a pension as it would be very small. I really think that serving 8 years or at least being elected on three occasions is a reasonable qualification. It is the right of every person to consider whether by now paying a substantial stipend, it has attracted a more able and experienced group of representatives.

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There are some ramifications of having been elected that few of us thought about compared to anyone else leaving a job. It is tougher to get re-established and perhaps that has always had some bearing on MLA pension benefits. As a Pharmacist we enjoyed then and still do being the most respected professional group in Canada. That does not apply to politicians or ex politicians. In 1978 I decided not to remain in the retail Pharmacy profession and seek other employment. At the time two major Nova Scotia corporations were seeking executive personal one requiring Pharmacy experience. Both groups said your experience is very beneficial but there is a new government and we think it would not be in our best interest to employ you. I got other similar comments elsewhere and found many of my colleagues received the same. Four years later when selected by Dartmouth City Council to be the Sportsplex general manager, all hell broke loose about me having been in politics but after much delay and debate, I got the job. I am sure none of us thought about that before we ran for office. After all these years I still get comments about being a politician, mostly in jest, but it always it applies to poor decision making, of not keeping a promise or putting your hand in the till. Yes, there are lifetime consequences of being elected.

Having been conservative in my comments on pension criteria I now ask for liberal consideration of improving my own. As I now begin to think of life end decisions I have some different motivations. Should my spouse survive me, the Provincial benefits will be greatly reduced and of course my OAS and CPP will be gone. Hopefully this Commission will look at that situation to see if it conforms reasonably with what the situation for survivor benefits are in other Provinces for elected representatives.

Thanks for the opportunity to make a submission.

Glen M Bagnell

From: Lynn and David Morse <david-morse@hotmail.com>
To: <mlapensionreview@gov.ns.ca>
Date: 7/8/2011 5:08 pm
Subject: MLA Pensions Review

Dear Panel,

As a former MLA I watched with disapproval as the Internal Economy Board continued to find creative ways to continuously enhance the MLA pay package. Much of this has been addressed over the past few years, starting with Premier Hamm's making our salaries completely taxable (like all other Nova Scotians) in his second term. The constituency expense scandal shone a light on those abuses, and the current Government with the help of the Opposition Parties and a good dose of media exposure addressed this. The final piece of the package is the pension, which was not addressed in a comprehensive fashion by the Internal Economy Board (IEB) who reacted to developments in a piecemeal basis.

The whole pay package emerged from a time when being an MLA was a part time job. The member came to the capital to pass the budget and Government business for six weeks, and then went home. An approximation of their travel expenses of 50% of the stipend was given to cover their hotel and meals while away from home. When the job evolved into a full time position, with accommodations in Halifax and per diems, the IEB was slow to eliminate the tax free allowance and make the salaries competitive and fully taxable. As circumstances dictated this evolution to a larger competitive salary, the IEB conveniently did not change the 5% pension increment which dramatically increased our pensions. I believe the 5% of our former combined taxable and tax free expense allowance package was probably reasonable, but when the salary was grossed up by about 50% the pension increment probably should have been decreased to about 3%. While this is still a very attractive rate, I do believe it would be difficult to attract, and retain, good representatives without some pension, as we often disrupt our careers to serve, and there has to be a finance safety net to do so. The 3% helps address the uncertainty of the position, as one's electability is not entirely based on your own performance.

Sincerely,

David Morse, ECNS

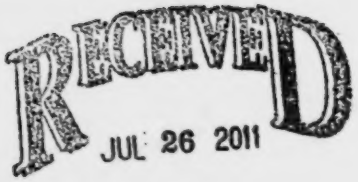
From: "A.I." <Merimart@eastlink.ca>
To: 'Annette M Boucher' <BOUCHEAM@gov.ns.ca>
Date: 7/20/2011 11:25 am
Subject: RE: Sir or Madame. Re: Pension review...

Thank you. I will be filing with the human Rights commission regarding this as well due to lack of response due this request for resolve since 2005 as this is a direct insult to any man or woman who has worked and has become disabled in this country, which I believe is less caring of those who are the people who have paid as much to build this country as many other's with their loss of ability to continue without prejudice from their own Government more than anyone else. I am truly ashamed.

11 Murray Hill Drive,
Dartmouth, N.S.
B2Y 3A6
July 22, 2011

VIA Email

Honourable David Gruchy, Q.C.
Chair, MLA Pensions Review
c/o The Clerk's Office
1st Floor, Province House
P.O. Box 1617
Halifax, N.S.
B3J 2Y3



Dear Sir;

Thank you for your letter of June 10, 2011. I appreciate being given an opportunity to share my views on the review of MLAs pensions and retirement benefits of MLA currently being conducted. My comments will primarily focus on pension benefits for current retirees.

I appreciate it may well be timely to review MLAs' retirement entitlements for future retirees. I am, however, urging the Panel to recommend that existing MLA pensions entitlements be grandfathered if changes are to be made for future retirees.

Being an elected official is an honour but it also necessitates making many sacrifices both personal and financial. Those who served as MLAs did so with the assurance they would receive retirement pensions in accordance with the rules in place at the time they served. Many may indeed be dependent, as I am, upon this pension as their primary source of retirement income. The longer a person served the greater that dependence becomes.

I am strongly of the view most MLAs entered public life out of a genuine desire to serve their communities and province. Salary level and retirement benefits are not a primary motivating factor in seeking elected office. MLAs often sacrificed what would have been their most productive earning years while others gave up pension benefits to which they would have been entitled if they maintained their former employment.

If pensions upon which retired MLAs and their partners are retroactively changed to their detriment it will be a betrayal of the agreement under which they served and some could face financial hardship. I will personalize my comments as a case in point.

Prior to being elected in 1984 I was a teacher with the former Dartmouth City School Board. I quickly learned it was not possible to adequately perform my elected responsibilities while continuing to teach even on a part-time basis. I readily made the decision to go on an extended leave-of-absence knowing my teacher's pension would be greatly reduced with the confidence because my future MLA pension would offset that loss.

My current modest teacher's pension is based upon the average of my best 5 years of service between 1979 and 1984. This entitlement was reduced by two penalties; one for the number my age plus my years of service fell short of 85. A second was levied because my total years of service was less that 20. This pension will be reduced further in 2012 when I turn 65.

It is argued by some that elected officials have a responsibility to save for their retirement like persons who are not enrolled in a pension plan. I was pleased the current government did away with the tax free portion of an MLA's salary by combining the two (2/3 taxable and 1/3 non-taxable portions) and then adjusting the combined total to compensate for the increase income tax that would become payable. While a member of the Legislature's Internal Economy Board I had recommended this be done as far back as the late 1980s and early 1990s. Unfortunately the IEB meetings were held in private and the practice at the time was that no minutes were kept of discussions. Governments of the time were unwilling to entertain the recommendation.

MLAs 10% pension contributions were deducted from both the taxable and tax free portions of our salary. RRSP eligibility, however, is based only upon a person's taxable income. This meant that, during my first fifteen years as an MLA, I had very little room to make contributions into an RRSP. I was never able to contribute more than a few hundred dollars in any one year into a RRSP. Other MLA would have been in a similar situation.

Salaries for current MLAs have dramatically increased compared to those earned by MLAs who left office in 2003 and in prior years. During my nineteen years in the Legislature, Nova Scotia MLAs received salaries that were consistently at the low end of salaries earned by provincial legislators across Canada. It was simply not possible, on the incomes earned, to save sufficient funds to meet future retirement needs.

I am not and never have been enrolled in the MLAs' medical program. I chose instead to remain a member of the teachers' program even though it meant I paid both the employer's and employee's premium. Elected officials lack job security. I chose to remain a member of the teachers' plan as there was no guarantee I could rejoin if the need arose. While I never did return to teaching, this was a wise decision as my heath crisis of 1990 would have denied my re-entry if I had been required to return to teaching.

I anticipate there may be little public sympathy for former MLAs and pension concerns like mine. This despite the fact that during most of my term there was a significant public sentiment that Nova Scotia MLAs were under paid. Many in the public hear the media reports of what MPs and current MLAs pension entitlements will be under the current rules **not** about what current retirees actually receive. The dollar values are quite different.

MLAs pension indexing has already been capped as was done with retired provincial employees. This was fair.

As stated earlier, I am personalizing my comments to demonstrate how retroactively changing MLAs' pension entitlement could negatively impact retirees. It certainly would negatively impact both my wife and I as it constitutes the majority of my retirement income.

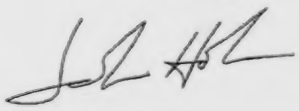
I did not seek elected office for the salary or the pension. However, had I believed that the pension entitlement, to which I was contributing, in according with the rules of the day, could be reduced retroactively after my retirement I simply could not and would not have been able to risk continuing to serve.

I believe MLA salaries have increased between 40 – 45% over the last eight years resulting in pension entitlements increasing proportionally. I have no specific recommendation to make regarding what their entitlements should be other than to say it should be sufficient to attract and keep elected representative with the commitment and skill required to provide the leadership Nova Scotia needs. Like MLA of the past, they are required to make both personal and often financial sacrifices. The regime that is established for their retirement must fairly recognize these sacrifices and they must be provided the assurance that the terms under which they serve will be honoured as they may depend upon them in retirement. I would recommend that any changes, if any are recommended, be scheduled to take affect following the next election.

In closing I repeat that I believe it would be doing an injustice to retired MLAs and their families to retroactively change pensions upon which, to varying degrees, they are dependent and entitled. If it were to happen it would amount to them being told they and the partners must again make sacrifices but this time it would be for the rest of their lives.

I will forward a copy of this submission via regular mail in addition to this email submission

Sincerely



John Holm

From: Brian Rippin <brippin@accesswave.ca>
To: <mlapensionreview@gov.ns.ca>
CC: <community@herald.ca>
Date: 7/25/2011 10:49 am
Subject: MLA Pensions

Dear MLA Pension Review Panel,
I have just finished reading an editorial written by Brenda MacDonald regarding the upcoming reviewing of Nova Scotia provincial MLA pension plans. Specifically, her editorial referred to the possibility that MLA's, who may be found guilty of crimes committed while "serving" the tax payers of Nova Scotia, are deemed to have the right to receive their pension regardless.
I believe that the public considers an elected government official, whether Municipal, Provincial or Federal to be a person that they can trust with the responsibilities of our City, Province and Country. To that end all of these elected officials take some sort of oath promising us that they will fulfill these responsibilities in an honest, trusting and FAITHFUL manner.
As a reward we pay them well, in fact compared to the private business world, very well. Not only that, they will receive benefits which we the general public can only dream about. One of these benefits is a pension for their service. I personally believe that the pension our MLA's receive is absolutely outrageous. But this is not the specific reason for this letter and I will not get into that topic.
I wish only to address the fact that if an MLA is found guilty of a crime while serving the public, in other words, not being FAITHFUL, we the public will continue to reward them by paying them a pension until they die.
This is totally and absolutely wrong and unjust. They may and I say "may" be entitled to any personal contribution they have made, which I understand to be minimal anyways.
I believe that any elected government official who is found guilty of crimes while serving, should be forced to return all salaries and benefits received as of the date that these crimes have been deemed to have been committed. If nothing else this absolutely applies to their pensions.
They have stopped being FAITHFUL, an oath to which they swore. They broke the law and our trust in them!!

Yours truly,
Brian Rippin,
71 Kingston Crescent,
Dartmouth, Nova Scotia
B3A 2L9

From: Jim Willis <mjwillis@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/25/2011 12:03 pm
Subject: MLA Pension and Benefits Package

I have two comments with regard to the MLA Pension Review.

First: I completely agree with the comments put forward by Brenda MacDonald in the column she wrote for the Dartmouth-HRM East Community Herald, Volume 4, Number 45, on page 3, for the week of Monday, July 25, 2011. As stated, I completely agree with this article and in particular, quoting from the article the following, "As an interested person (taxpayer), I'd like to suggest that any MLA found to have misused the power of his or her position is such a way that breaks the law be denied the entitlement to a taxpayer-funded pension." I suggest that the the Review Panel read Ms MacDonald's complete column. It is very well written and to the point.

Second: Be the first Province in Canada to bring about a comprehensive pension reform. If legally possible, cancel the pension plan for MLA's, past and present. Volunteering to run in a riding, and being elected to serve ones community, should not entitle that person to a "Gold Plated Pension". I also believe that to attract good people who are willing to serve their community, the basic salary of a MLA should be increased to $100,000. As part of the new Pension Plan, those MLA's already receiving a pension, will continue to receive this money for a period of six months after the implementation of the new Pension Plan, upon which time the money would cease. Again if this is legally possible. May I suggest that all MLA's contribute between three and five percent of their salary into a RRSP, with the Government adding the same amount. When leaving office, the MLA will have at their disposal all of the money that has been contributed by the member and the Government.
As further appreciation for their service to the community and the Province, when a MLA retires or is not re-elected, the MLA should also receive a small severance based on the number of years served.

Please do the right thing and recommend "MLA Pension Reform" and not just a few small changes that really do not help the taxpayers.

Regards

Jim Willis

186 Doherty Dr

Lawrencetown, N.S.

B2Z 1E1

1-902-435-6470

From: "Wayne Myers" <wmyers@ns.sympatico.ca>
To: <mlapensionreview@gov.ns.ca>
CC: <community@herald.ca>
Date: 7/25/2011 12:59 pm
Subject: Pension review

I have to agree 100% with Brenda Macdonald on an article she wrote to you folks who are doing MLA pension reviews.

If they have done some fraud, have lost the public trust by doing wrong deeds of course they should lose their pension rights. It is time they join the ranks of the rest of us when they commit wrongdoing. Yes 100% as Brenda has already written the details. They always seem to have hidden benefits that we as the public only find out later.

Wayne

Wayne & Bert Myers

115 Lakehill Drive

Lake Loon, NS, B2W 6C8

1-902-462-4597

From: "Gerry L" <gerryl@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/25/2011 10:18 pm
Subject: Fw: MLA Pensions

----- Original Message -----
From: Gerry L
To: MLAPensionReview@gov.ns.ca
Sent: Monday, July 25, 2011 1:43 PM
Subject: MLA Pensions

Dear Pension Review Panel:

In response to the prompt by Brenda MacDonald in the Dartmouth East Community Herald on July 25, may I, as a taxpayer, add my objection to paying MLA's a pension who are convicted of a crime. This is completely irresponsible and an injustice to the taxpayer. And even worse it is sending a message which is completely wrong not only to our citizens but also to our youth and to other levels of Government who may well have a significant influence on the well being of Nova Scotians in the not too distant future. I'm referring, of course, to the upcoming negotiations on Federal Transfer Payments. What will the Federal people think when they know we are throwing our resources, some of which is from Federal Transfers, to MLA's who are convicted of crime. You, the Review Panel have a serious obligation to consider not only the relatively few dollars which may go to convicted MLA's, but more onerously to the citizens of this Province for the possible significant dollars we may lose in Transfer Payments.

Yours truly,
Gerry Lethbridge

From: "Harry Woad" <harrywoad@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/26/2011 7:04 pm
Subject: MLA Pension

Sirs
Case 1 A man steals a million dollars from a bank, is caught and found guilty. On completion of his sentence he is certainly not entitled to legally keep the million dollars.
Case 2 An MLA steals from the tax payer, is caught and found guilty. On completion of his sentence he is entitled to a very generous tax payer funded pension.

Case 1 outcome makes sense. Case 2 outcome is non-sensical and absurd.

Harry Woad
Sambro Head

From: Heather & John <heather_john@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/27/2011 12:07 pm
Subject: MLAs eligible to receive pensions....why ?

Dear MLA Pension Review Panel,

I am an interested person (taxpayer) and I am not happy to know that the MLA's involved in the recent MLA spending scandal are eligible for pension benefits even if they are eventually found guilty of the charges they face.
When being sworn in, all MLAs must vow to be ; "faithful and bear true allegiance to Her Majesty Queen Elizabeth the 2nd, Her Heirs and Successors According to LAW, So Help Me GOD".

If a MLA can't be trustworthy, faithful, and committed and be true to every part of his or her oath, all the way down then, very simply, the MLA (s) have no right to expect that taxpayers hold true to any promises made to them.

Can you honestly explain to the public this insult ? I really doubt it..maybe in your arrogance and snobbery, you can. And you wonder why the public is so apathetic to politicians.

Frankly,
John Kelly.. Canadian....taxpayer for over 45 yrs.

From: judy <adjudstur@yahoo.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/28/2011 10:15 am
Subject: pensions after wrongdoing

I believe that all benefits accrued from being a member of the public service, should cease when an offence against the public takes place and that when found guilty, the member should be immediately released from office. They have not upheld the oath which they took on entering public service and therefore are not entitled to any of my, and your, hard-earned tax dollars. In other words, suffer the consequences when you offend. The world seems to think they can get away with not taking responsibility for their actions, in all walks of life! Sorry, it is time to grow up.

Judy Sturgeon

To help curb spam ~ if you intend to forward this email, please delete my name and address and use "Bcc" on the Fwd. email. If you already do this ... thank you.

From: Ken Rodman <kenval@hfx.eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/29/2011 10:14 pm
Subject: Submission regarding pension benefits for MLAs convicted of criminal offenses.

It is clear that there are serious problems with ethics and the quality of MLAs in this province. A recent article by Ms Brenda MacDonald reminded me of the serious breach of trust and of a complete lack of ethics among many of our elected MLAs. MLAs Hurlburt, MacKinnon, Wilson and Zinck currently face criminal charges.

In my opinion, all pension benefits accruing after the dates of wrong doing must be cancelled. To do otherwise is unconscionable and would be rewarding criminals for their crimes. They were elected by the people of Nova Scotia and took an oath to be faithful and to serve their constituents. They were in a privileged position and in a position of trust and so must be held to a higher level of accountability.

It would also be my considered opinion that only individuals with no criminal records be considered for public office.

As a tax payer and voter I will be watching with great interest for the results of your deliberations.

Sincerely

W.K. Rodman

NIL ILLIGITIMI CARBORUNDUM

From: Helen Mailman <helenmailman@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 7/31/2011 1:16 pm
Subject: MLA pensions

If a politician is charged with a criminal act, then they should be fired and serve prison time, just like an average person would have to face if they were charged with a criminal act. His or her actions should not be treated any differently then anyone else. To receive a generous pension funded by my tax dollars is unbelievable. If anyone other than a politician were found guilty, they would lose everything, and so it should be the same for politicians. A criminal is a criminal!

Helen Mailman

helenmailman@eastlink.ca

From: Fisher McKay <fmckay@eastlink.ca>
To: <mlapensionreview@gov.ns.ca>
CC: <community@herald.ca>
Date: 8/1/2011 1:34 pm
Subject: MLA Pensions

To Whom It May Concern:

Brenda MacDonald has it exactly right; if MLA's have failed to "faithfully" act in accordance with the law and their responsibilities and are found guilty of wrongdoings under the law, then their "service should be considered over as of the moment the offence occurred" and they should receive no more money from the people of Nova Scotia than their pension contributions from that date onward. After all, they will have been found guilty of breaking their faith with the people, and should be found to have legally invalidated any agreement we, the people, had with them.

I expect to hear that legislation cannot be written into force retroactively, although I believe there are presidents for that; however, even so, I would suggest that penalties for being found guilty of wrongdoings while in office could be legally imposed that would recoup whatever monies were "required" to be paid under the "law". I earnestly hope we will see justice in this matter.

Sincerely,

Fisher McKay

From: Michael Concannon <concannon@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
CC: <sidprest.mla@ns.aliantzinc.ca>
Date: 8/2/2011 9:46 am
Subject: MLA Pensions and retirement benefits.

We understand that there is a MLA Pension Review Panel, formed "to seek public input inviting written submissions from interested persons".Here is our "interested" submission:

MLAs who are guilty of breaking the law VOWED when sworn into our Legislature to"be faithful and bear true allegiance to the Queen"; they have seriously failed in this respect and should be removed from our Legislature and denied all benefits including their pensions.

The Pension Benefit Act should be changed and corrected accordingly.

Evelyn A Concannon

Michael J Concannon

East Petpeswick, NS.

From: "Thomas Stone" <thomasstone@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/2/2011 10:07 am
Subject: Convictions

Two points i would like to make....why do Nova Scotian politicians have best best gold plated pensions in Canada?...how difficult is it to represent 940,000 people with a dwindling population...$22.00 dollars of tax payers money go into their pensions while they contribute $1.00, seven MLA's represent Halifax alone.....towns are failing in Nova Scotia...health care is a joke and will not be affordable to Nova Scotians in a few years when the majority of Nova Scotians are 65 or older..We are the highest taxed in Canada...and people are leaving this province because "its to damm expensive to live here"

Secondly when a MLA is convicted of a crime he has broken the trust of the people that got him elected and should only
be entitled to the portion of the pension he earned...the situation in the house presently whereas Trevor Zinck after a mere 5 years years has earned a "Gold Plated Pension" and sits as representative of the pepole while on criminal charges is a joke,i realize he is innocent until proven guilty however he should have to step aside until the charges have been dealt with.

I have a feeling this email is pointless and nothing will change....both the provincial and municipal governments run on the basis of "the old boys club".....the committee for the pension review should of been left up to independant citizens to come up with a solution..im sure nothing will change except "Me" when i move out of this province,one less dwindling statistic....isnt it sad Ontario is a cheaper place to live? and to thing i actually chose your province to move to 5 years ago when i retired in Ontario!!

Thomas Stone Halifax

From: Lorraine Sampson <lorrainesampson@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/2/2011 1:58 pm
Subject: MLA Pension Review

I am a tax payer and I would like to see that anyone in government that commits unlawful deeds should not receive their pensions. I know for a fact that is I had done something unlawful, I would not be getting a pension. Why should they be different. I say "No Pension".

Lorraine Sampson, TAXPAYER

From: Gerald & Nancy den Hollander <gndh@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/3/2011 7:53 am
Subject: MLA Pensions

I would like to see that any MLA found guilty of breaking the law should lose their pensions.They are people in trust and authority and should be trustworthy upholding the law.If our leaders are law-breakers...what does that show us? Please remove the pensions from those MLA that break the law... Gerald and Nancy den Hollander

From: Bill Black <wblack@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/8/2011 10:50 am
Subject: MLA PENSIONS
Attachments: MLA PENSIONS.docx

Thank you for the opportunity to make a submission on MLA pensions. My experience as chair of the Nova Scotia Pension Review Panel gives me a good sense for the range of pension programs available to other Nova Scotia taxpayers.

The attached is intentionally brief. I would be glad to explore any of these recommendations in greater depth either in person or by email.

Bill Black

MLA PENSIONS

The existing regime for pensions to retiring MLA's is wrong in every respect. The costs are high, uncertain, and volatile, and have been hidden from public scrutiny.

Most Nova Scotians have no pension plan at all. Of those that do the most generously pensioned are largely in the public sector. For teachers and civil servants the province and the employees each contribute about 10% of payroll. Yet the funding of these plans has been so inadequate that additional contributions by taxpayers of $536 million for civil servants and over $400 million for teachers have been required over the years, and the teachers plan is still seriously underfunded.

The current MLA plan accrues benefits at two and a half times the rate for teachers and civil servants. The cost has been estimated by the Department of Finance at close to 70% of payroll.

Supporters of these plans never talk about the cost. Sometimes it is suggested that these benefits are needed to attract good people to public office. But in fact pension plan members almost always underestimate the cost of plans provided to them , especially when those costs are hidden. More to the point, with few exceptions MLA's earn more salary than they did prior to being elected. It is true that some other jurisdictions in Canada have similar plans but we are not competing with them for talent in our legislature, and they may have equally little justification.

Any new plan must incorporate the following characteristics:

Cost certainty: The annual amount contributed by taxpayers will be the only obligation. There should be no later bailouts of underfunded promises. This can be achieved by having a defined contribution plan ,or a defined benefit plan where the benefits are periodically reviewed and adjusted (up or down) to meet what the contributions plus investment returns will provide.

Transparency: All contributions, payouts, and fund accounting must be fully disclosed to the public.

Reasonable cost: A contribution level of 10% of payroll payable by taxpayers , matching what is paid for teachers and civil servants , seems reasonable. Anything beyond 20% would be grotesquely excessive. Allow MLA's who are former civil servants or teachers (quite a large number) the option to remain in those plans .

Transition: All existing pension benefits should remain unaltered, although indexing terms should be not more favourable than those received by retired civil servants. Likewise benefits accrued to date by current MLA's should not be reduced. But after the next election all benefit accruals should be based on the new plan.

Attracting Candidates: If it is felt that better compensation is required to attract good candidates the best approach is with higher salaries.

Most taxpayers have no pension plan at all. The plan provided to MLA's should be within the range of those who do, at a cost that is clearly and completely disclosed.

Bill Black

Chair, Nova Scotia Pension Review Panel

From: Heather & John <heather_john@ns.sympatico.ca>
To: "Annette M Boucher" <BOUCHEAM@gov.ns.ca>
Date: 8/9/2011 11:13 am
Subject: Re: MLAs eligible to receive pensions....why ?

Dear Ms. Annette Boucher,

I wish to apologize to the MLA Pension Review Panel for the remarks I submitted in my e-mail using the terms "arrogance and snobbery". These words were not meant to be directed at the panel, only at the politicians who seem to day and day out, take their positions for granted and use their time in office to cheat and lie to the public. I do stand by the fact that I don't believe the MLAs are entitled to receive pension benefits, if they are found guilty of the charges they are facing.

Sincerely,
J.Kelly

On 2011-08-09, at 10:51 AM, Annette M Boucher wrote:

> August 9, 2011
>
> Mr. John Kelly
>
>
> Dear Mr. Kelly,
>
> On behalf of the MLA Pension Review Panel, I thank you for your written submission below received by e-mail.
>
> As set out in the June 9, 2011 press release, (link: http://gov.ns.ca/news/details.asp?id=20110609009), all submissions will be included in the Panel's written report to the Speaker of the House of Assembly due in early November 2011.
>
> Annette M. Boucher, Q.C.
> Assistant Clerk
> Nova Scotia House of Assembly
>
>
>
>>>> Heather & John <heather_john@ns.sympatico.ca> 7/27/2011 12:06 pm >>>
> Dear MLA Pension Review Panel,
>
> I am an interested person (taxpayer) and I am not happy to know that the MLA's involved in the recent MLA spending scandal are eligible for pension benefits even if they are eventually found guilty of the charges they face.
> When being sworn in, all MLAs must vow to be ; "faithful and bear true allegiance to Her Majesty Queen Elizabeth the 2nd, Her Heirs and Successors According to LAW, So Help Me GOD".
>
> If a MLA can't be trustworthy, faithful, and committed and be true to every part of his or her oath, all the way down then, very simply, the MLA (s) have no right to expect that taxpayers hold true to any promises made to them.
>
> Can you honestly explain to the public this insult ? I really doubt it..maybe in your arrogance and snobbery, you can. And you wonder why the public is so apathetic to politicians.
>
> Frankly,
> John Kelly.. Canadian....taxpayer for over 45 yrs.

From: Supernova <supernova@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/16/2011 6:34 pm
Subject: Pensions

MLAs convicted of criminal charges should lose all their pension rights.

J. Forrest

From: valerie gilbert <dr.val@live.ca>
To: <mlapensionreview@gov.ns.ca>
Date: 8/21/2011 8:39 am
Subject: Pension reform

Dear MLA Pension Review Panel, I would like to suggest that any MLA found to have misused the power of his or her position in such a way that breaks the law be denied the entitlement to a taxpayer-funded pension. If an MLA is found guilty of breaking the law, I feel that his or her service should be considered over as of the time the offence occurred and all benefits should cease as of that time. I also feel that the time committment currently required for receipt of a pension for MLA's is minimal and that at least 8 years in office should be required. In fact, I would go so far as to advise doing away with publicly funded pensions per se for this group. I would suggest instead some form of contribution-matching for personal RRSP plans for each individual, allowing them to experience the vagaries of the investing world, along with their constituents. Yours, Dr. Valerie Gilbert!8 Gleave Walk,Dartmouth, N.S.

From: Bruce Josselyn <bjosselyn@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/21/2011 9:18 am
Subject: Pension Review

I've been reading the Sunday paper and found the article regarding MLA expenses. This is where I found the information informing me how to give my two cents worth on the Pensions of MLA's. Thank you for allowing Nova Scotians' to voice their concerns; however, I've been going down the road of a "cynic" when it comes to MLA's, their expenses and their pensions. I believe this is a moot point and the invitation to voice concerns is a process that covers the government so they'll be able to state the public had the opportunity and there were few voices heard.

I'm concerned with the panel doing the review.
John Morash, Former Chair of the Utilities and Review, doesn't make me feel too warm and fuzzy as the Utilities and Review Committee have permitted NSP to increase rates over the past ten years and it continues to allow increases. The latest review to increase rates on taxpapers backs so that they can pay employees "incentive" pay is so out of touch with reality, yet it is being considered. Ronald Smith, past CEO of Aliant and Emera, would be placed in the same category as Mr. Morash. Mr. Smith would have benefited from the "out of touch" pensions that CEO's make with Emera and Aliant. My opinion is they are not in a position to make an objective decision on the topic of pensions and expenses for MLA's.

This review could put a new light on MLA's if the proper decision to realistically enforce a pension that won't be so draining on taxpayers of Nova Scotia. We are taxed to death and we are the poorest province in all of Canada. I have four children who have all graduated with university degrees, are so far in debt with student loans, had to leave Nova Scotia because there weren't any jobs, will probably be in debt for many years to come, trying to become useful, productive citizens for this country and yet MLA's feel "entitled" to the pensions and expenses they are getting.

I am at a loss to figure out the logic of how or why they feel they are entitled to these huge pensions. It's a lark, really. I would love to see this Review Panel make some hard nosed decisions and pull back on what expenses should be permitted and the pensions, that are so out of line with reality of this province, be revamped. If this were to be done, perhaps they panel would be successful in getting taxpayers a brief sign of hope that these committees and panels are worth having in place and they can change things for taxpayers.

The panel should be thinking as a taxpayer when they do this review ~ not as a judge or a Chair of a board or as a CEO of one of the wealthiest companies in the province. I don't know if any of these gentleman had to scrap and work from the bottom up to be successful; however, if they

could have some empathy and place themselves in the shoes of a taxpayer who has to decide whether to feed the family something healthy or pay the electric bill, then they'll be making a just decision. Just put themselves in the average taxpayers shoes, then decide what is correct.

My last opinion on this is there should be a female on the panel. Not stating the panel chosen is not capable; however, a female point of view and logic would be helpful. As we all know, males and females think and process situations differently.

Thanking you for allowing me the opportunity to express my concerns. I'm thinking this is a useless process, as decisions have already been made and this is a process that is required to keep taxpayers quiet. I would very much love to be proven wrong on this.

~ Carol Josselyn

From: Marion Bragg <marionbragg@eastlink.ca>
To: <mlapensionreview@gov.ns.ca>
Date: 8/21/2011 1:19 pm
Subject: re:pensions

Dear MLA Pension Review,
As a senior citizen and tax payer who worked for a number of years to receive a reasonable retirement pension, I am extremely upset to think that I may be expected to contribute to those who have broken the law and still expect to receive a more then reasonable retirement pension.Pensions cannot be considered sacred , nor can MLAs be considered above the laws of society . MLAs like anyone else are put in a position of trust and should realize the importance of their jobs . When any MLA abuses this trust and is found guilty of any crime , they should lose their pension .
Politicians like anyone else have to obey the laws of our country and take the punishment due the crime. Stealing in any ones language is stealing and that means taking what does not belong to you .
To end, they are paid more than enough and should realize just how lucky they are to have a more than reasonable income.
Marion Bragg 3581 Acadia St., Halifax N.S. B3K3P5(

From: Lou Boudreau <captlou@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/22/2011 6:15 am
Subject: Dear sirs,

Dear sirs,
Over the last few years the public has become more and more aware of the shameful pilferage of the public purse by politicians, MLA's and others who seem to have this misguided idea that it is ok to waste our money. On top of all this we have corpulent pensions for these same folks. I would like to point out that over the years here in NS there has been this class evolution resulting in a them against us scenario. It would seem that we are a province of the government and the people each on different levels and often one against the other. If you care to drive through the south of this province you will see seniors who struggle to eat healthy and heat their homes, children who live in poverty and who have lost that wonderful spark that is so important. They are growing up with the idea that politicians are corrupt. Don't take my word for it go out there and drive around and talk to them. So i challenge you to right the wrong. As my headmaster like to say, find the moral fibre to do the right thing. While the ordinary people of this province struggle it is wrong for MLA'S's to take so much.
Captain R.L. Boudreau

From: "A.I." <Merimart@eastlink.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/22/2011 10:27 am
Subject: Sir or Madame: re: Info requested on Pensions....

I am a person who is fighting to find some way to have the Government recognize the fact that, those people who are on disability Pensions are people who were working before injured even to qualify. Yet the Federal Government fails to recognize the fact that we are treated with less care than any other person in the country. We are not even permitted to apply for the Federal Subsidies paid out each year to the following group of people. Pensioners, Landed Immigrant's people on welfare, Low income persons. We are told not to even apply for the subsidies paid by service Canada and I was advised by Diane Finley that she was under the impression that disabled people all live in places where Power is paid. The Power Company continues to increase the cost of this to everyone and has no way of separating the disabled people and offers no deals to disabled people. In fact with the pension amounts we get we are lucky to afford a place to live. We get a 1.27% which is removed promptly by the housing which most are on, to find that every time we make a dollar more it is in fact recouped by the government dollar for dollar and in most cases more than what we make. My housing cost to me has increased each and every time I have gotten a raise which is no where close to the actual cost increase of Living set for other people. And we are told we must wait until sixty five before we are even permitted a subsidy to take up the extra cost's incurred by being disabled. The lack of controlled rents in this province where the Government now allows a person an allowance of $772.00 set at 25% of what you earn, any compensation you might get or no matter how small. Is also calculated into your earnings which places the person on a different category for rent but doesn't allow the person any increase in the amount they are allowed to spend on rent. I spend one third of what I make on rent and the other two thirds on either transportation, or Bills incurred while working. I must repay the government who never allows any monies to be earned to help a disabled person to offset some of the other costs endured for just being disabled. I find this to be discriminatory both in Provincial and federal to ever call any one disabled and to cause these people hardship which is otherwise protected against any other group but the Government for the same treatment of someone disabled and can be taken to the Human rights commission to have this stopped. If a person is determined to be disabled they are retired for life. This should entitle them to a pension equal to a retirement pension simply because they are in fact retired from work. Anything else is discriminatory and the Government should never be the ones who are doing this to those who have paid takes to the system. Other's either coming to this country or in some cases who get welfare use the system and never work. A disabled person would love to work at something but when they do they are penalized again by the only ones in the legislated country allowed to get away with this discriminatory action against a people who suffer disabilities while making the same action n against the law for others to do so through the Human rights. Why aren't the human rights given the Ability to take the federal or Provincial Government to task regarding this discriminatory action against us. You protect the people who rent to us where we can not afford to live in any place which is safe because those places which are safe want way over what a disabled person can pay. We don't even have the ability to rent in a place where the landlord must insure that there are adequate services for disabled persons because ninety percent of these are slum landlords. Only when a disabled person reaches sixty five can

they actually live in safe housing. All protected by the Government in their allowance of these older buildings the rights not to have to spend any money to upgrade these units and these will probably go on for another hundred years, these people who own these are in no means poor, they are simply slum landlord who use the laws to the fullest and the Government protects them while paying disabled people little more the option for safe housing than what is on a no rent ceiling in the area to allow anyone disabled a choice. There are no choices where the rents for safe housing are higher than what we can afford. I really don't believe that you will fix anything rather figure out best how to protect yourselves from ever facing the truth by allowing a safer place for disabled people to live or a fair wage or pension, I believe this is to find out the issues and concerns so the laws can be changed so we will not have any rights further to take the Government to task on these issues.

From: Joanne Byrne <joanne@pedalandseaadventures.com>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/22/2011 4:43 pm
Subject: MLA Pension & Retirement Benefits

To Whom It May Concern:

As a taxpayer, I would like to add my voice to those who feel that any Member of the Legislative Assembly (MLA) found to have misused the power of his/her position in such a way that breaks the law, be denied the entitlement to a taxpayer-funded pension.

In addition, if an MLA is found guilty of breaking the law, I feel that his/her service should be considered over at the instant the offense occurred and all benefits should cease as of the moment the offense occurred. Any monies paid to an MLA since the offense occurred should be returned to the Provincial "coffers".

Thank you for forwarding my opinion to your Review Panel.
Joanne Byrne

From: Jeff Brett <jeffbrett@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
CC: <gary.ramey.mla@eastlink.ca>
Date: 8/22/2011 9:24 pm
Subject: MLA's Pensions

My comment is very simple: MLAs should be subject to the same benefits and restrictions as any other civil servant in the province - no more, no less. While their careers are often shorter than some civil servants they generally earn higher wages and benefits during their careers and their higher profile assures them of good paying jobs after their political careers.

There ought not to be any double dipping of public sector pensions by any MLA or civil servant.

Thank you for the opportunity to comment.

Jeff Brett
38 Brook St.
Bridgewater, NS B4V 3B2

From: "Lee & Karen MacRae" <klmacrae@ns.sympatico.ca>
To: <mlapensionreview@gov.ns.ca>
Date: 8/23/2011 10:00 am
Subject: MLA Pensions

There should be no doubt or questions regarding MLA's keeping their pensions if they are found guilty of misuse of public funds they ARE NOT entitled to a nickel and they should have to pay back whatever they received since the day they were charged if found guilty. They have betrayed the people's trust that voted them into office.

To those politicians that used public money to purchase items but the RCMP decided not to bring formal charges against all of you to say you are sorry I didn't know really does not cut it. Stealing is stealing. You are all sorry because someone picked it up and you got caught. You all hopefully have paid back the money and in the future will have more respect for the position you where voted in to do.

From: David Henderson <dandlhenderson@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/23/2011 6:45 pm
Subject: wrongdoings

I feel that any MLA that has committed wrongdoings at the cost cost of taxpayers he/she should be exempted from receiving a pension. Also I feel that they should serve a minimum of 10 years before being eligible for a pension.
Thank you.
D.R. Henderson

From: <trussell@ns.sympatico.ca>
To: <MLAPensionReview@gov.ns.ca>
Date: 8/23/2011 7:20 pm
Subject: I don't think that MLA's convicted of wrongdoing should get any kind of pension. I feel that they gave up that right by knowingly using their position to do wrong. We trust these people to do right and they abused that right. Thank you.

I don't think that MLA's convicted of wrongdoing should get any kind of pension. I feel that they gave up that right by knowingly using their position to do wrong. We trust these people to do right and they abused that right. Thank you.

C.R.

From: Francene Cosman <fjc@eastlink.ca>
To: <Boucheam@gov.ns.ca>
Date: 8/27/2011 9:14 am
Subject: Submission to the Pension Review Panel.
Attachments: MLA PENSION REVIEW PANEL.pdf

Dear Ms. Boucher:
Please find attached in PDF format, my submission to the Pension Review Panel. In an earlier e-mail yiou advised me to forward this to you and that you would provide it to the members; it is in PDF format and I thank you for bringing it to their attention. I ask that you acknowledge receipt.I will be out of Province until September 16th. Sincerely, Honourable Francene Cosman ECNS

MLA PENSION REVIEW PANEL

PROVINCE HOUSE, HALIFAX, NS

September, 2011

Thank You for the opportunity to submit my view about pension review for elected and or retired Members of the Legislature.

Why the review? I believe it is in response to the efforts of public lobbying and a campaign of letter writing to the local newspapers that has fueled the need of Government to be seen as responding, or doing something. While I have seen lots of negative press, I have not seen positive. There is a great deal of mis-information in the public eye about MLA Pensions, and much of it is based on not understanding the special nature of working for the public as an elected member. Perhaps that is a place to start. Democracy and its institutions in Canada are the most important element of our social order, in that Charter Rights are upheld, Law and Order is addressed through the function of Justice, new Laws and Statutes are crafted and passed, services of many kinds are rendered, and the lives of ordinary citizens at every level are impacted from birth to death. Some one has to do the job of making democracy work, and that some one is the person who chooses to offer themselves as a candidate in an election and to assume the important role of Member of the Legislature and all that entails.

Once elected, one walks away from former careers, former employment, and takes important work years away from what they had been doing. Yes, this is a choice, and behind every choice is a reason. Most of us run for office with a sincere belief that one can make a difference, and one can get things done for the greater good. This is altruistic. It is not about what one can get for oneself,though public scoffing at the integrity of elected politicians would say otherwise. It is true that a few bad apples spoil it for the majority, and that is not limited to the political process only. One does not enter political life for the long term, and given the vagaries of the job, the average length of time served by an MLA in Nova Scotia is some where in the range of seven years. Obviously the tenure of an

elected person is a lot less than a Civil Servant. That is a short time in terms of pension planning by the member, and a disruptive time from former careers and seniority building in those former careers. What happens to elected members who find themselves "out of work"? It is commonly known that many former politicians find themselves suddenly unemployable. Particularly if the Government changes, it can be challenging to find work. Suddenly all the decisions that were made in a political career are in your face, rightly or wrongly, and companies do not want to hire the defeated political candidate. Having been an elected member can now be a disadvantage in an unfair way. I have given this brief overview because it is important that the panel members understand the scope of what it is to be elected and how it impacts future employability.

I grapple with whether I want to have input on this topic as a taxpayer or as a former member. Reflection says I cannot have it both ways, so I shall write from the perspective of a former member. The 2006 Commission of Enquiry on the Renumeration of Elected Provincial Officials did little to dispel the public's view that MLA's are overly compensated and richly pensioned . It isn't so, yet subsequent events around expense account abuse fueled more distrust, and I hope it is in your mandate to relook at the issue of expense account- allowances, with a view to clarity and stringency of use. A climate of trust can be rebuilt in Nova Scotia. There is little understanding about the exact nature of MLA compensation and the public is left with thinking MLA'S are overpaid, and have access to all sorts of privileges monetarily. The fact that there has been abuse of privilege contributes greatly to the disrespect all politicians are suffering, tarnished by the few

What ever the outcome of your review, I would urge that the pension rules in place for former members who are now in receipt of a pension be upheld. It would be unfair to change the existing pension plans in anyway that would materially have a negative impact on a retired member. Existing pensions are impacted by inflation and rising costs in the basket of common costs affecting all

Canadian consumers. Thus the real value of today's pension is likely less than when first received.

If your decision is to recommend the redrafting of pensions for future MLA's, one has to review the options of Defined Benefit plans, Defined Contribution plans, RRSP pensions, and issues of portability. If your desire is to off book the future liability of MLA pensions , I would expect that the analysis of that option would be made available to those of us wishing to have input. Nova Scotia currently pays its MLA pensions directly from revenue and not a Managed Fund. Should this continue? The liability issue here is obvious. I will touch upon the sacrosanct nature of how MLA pensions are calculated. There is a divisive we- they aspect, in that Cabinet and Speaker, House Leaders, Leader of the Opposition, have a higher level of income than back benchers. At the risk of taking an unpopular position, please consider whether or not the Pension should be calculated only on the common base to all members' salary. Thus in future, it would not matter if one made it to Cabinet, all members would be treated equally. Those privileged to be in Cabinet etc. would, by virtue of a larger salary, be able to plan accordingly what private investments to make for future retirement from their own sources, without further impact on the public purse.

It appears that MLA Pension Review is done in the absence of the larger review of all Pensions paid by the taxpayer in Nova Scotia. It is a fearsome thing to contemplate, putting the pension debate out there about teachers, medical staff, Judges, Civil servants etc There is no political will to tackle the broader issues of Pension Reform, and Government can be seen to be doing something within the limits of discussing MLA Pensions.

Without access to comparative data and research skills, I feel unable to contribute more detailed specific recommendations to you, other than to point in directions for further fact finding. I thank you for this opportunity to provide a limited response.

Sincerely,

The Honourable Francene Cosman,ECNS

MEMO – NOVA SCOTIA MLA PENSIONS

TO: Justice David Grouchy
John Morash
Ronald Smith

FROM: Kevin Lacey, Atlantic Director
Canadian Taxpayers Federation

CC: Annette Boucher, Assistant Clerk
Legislative Council

DATE: September 1st, 2011

Re: CTF – Recommendations on MLA Pension Review

Introduction

The task of reviewing MLA pensions in Nova Scotia is an important one. Over the past year Canadian Taxpayers Federation has been campaigning for change. We heard from thousands of Nova Scotians who signed our petition or phoned/emailed our office looking to see changes brought to this system.

Our Federation welcomes the review launched by Speaker Gordie Gosse. We believe that setting up this commission is the first step to cleaning up the MLA pension system. We are hopeful that as a result of the recommendations, a more fair and equitable pension system will be implemented for the good of all taxpayers and for the political process as a whole.

We appreciate the opportunity to participate in this review process. We hope to provide some insight and policy recommendations for your deliberations. We have a vested interest in this issue and we are committed to representing the concerns expressed to us by taxpayers.

Why is reforming MLA pensions important?

The CTF believes that our government should be run as efficiently and at as low a cost as possible, and that these principles should be extended to every area of government including the legislative and executive branches. MLAs must lead by example. Taxpayers cannot countenance the sacrifices that must come with a balanced budget if the politicians that represent them are collecting benefits grossly

out-of-line with public expectations or significantly exceeding what average Nova Scotians are able to provide for themselves.

In the next few years, the government will have to address the unfunded liability related to a number of public sector pension plans. MLAs cannot be objective in finding a solution to this problem if they too are due big pension payouts.

The public has lost faith in their MLAs after it was revealed some had abused their expense claims. Five former and one current MLA are before the courts with criminal charges pending. It's important in the wake of this scandal that our politicians regain the public trust. Taxpayers need to have faith in their elected politicians and cleaning up the rich pensions MLAs receive will help to build that public trust, and set the legislature back on track toward fair and representative public service.

CTF MLA Compensation Principles

Transparency: MLA compensation should contain no hidden or obscure benefits.

Simplicity: MLA compensation should be straightforward and easy for Nova Scotia taxpayers to understand.

Double Standards: Compensation should not exceed what is available to Nova Scotians working in the private sectors in comparable positions.

Some pitfalls to avoid

Proponents of the current pension scheme often say that these types of pension programs are important in attracting "better" quality candidates to run for public office. In our view, rich pension plans do not encourage "higher quality" candidates to run as MLAs. Given this pension program has been in place now for many years, there is little to no evidence that the current program has attracted "better quality" candidates. In fact, our Federation would argue that the disproportionate pension plans actually deter some good candidates who wish to serve and attract others who may be more concerned with their own financial gain.

Reviews of politician pension plans often place too much weight on what goes on in other provinces. There are significant regional and cultural differences that make such comparisons precarious. It is our hope that this commission will not rely solely on what goes on in other provinces but instead forge forward with a truly made in Nova Scotia program that reflects the fiscal situation and values of this province.

CTF Recommendations

The CTF recognizes that politicians deserve a reasonable retirement package. Such a package should be commensurate with the norms of the private sector (where

retirement plans exist at all). Politicians should not unreasonably burden taxpayers by funding large shortfalls out of general revenues. Rather, MLA pensions should have matching dollar-for-dollar contributions, which are invested into a retirement fund.

Nova Scotia's politicians must set an example for the rest of the public sector. Doing so would give Nova Scotia's MLAs the moral authority to make necessary budget cuts to reduce the Province's deficit or if needed, to make changes to the pension plans across the public sector.

Therefore, the CTF is calling for the following reforms to the MLA pension program:

1) Scrap current MLA "defined benefit" pension plan and replace it with a "RRSP style – defined contribution" pension plan.

Pension plans enjoyed by public sector workers like politicians and bureaucrats are generally known as "defined benefit" plans. That is to say, regardless of how monies contributed to a pension fund are invested or saved, recipients are guaranteed a defined payment, for life. In the case of the Nova Scotia MLAs pension plan, the MLAs' contributions are not invested into any type of fund but the benefit is still guaranteed. Entitlement to the benefit is based on a formula that was set up by MLAs and may be adjusted by a committee of MLAs or the government itself.

Scrapping the current MLA pension plan, and replacing it with an RRSP system will make the pension transferable if an MLA leaves office. The MLA will be able to cash the RRSPs in whenever they want, avoiding restrictive eligibility requirements for other defined benefit pension programs.

2) Reduce the taxpayer-to-MLA contribution ratio from $16-to-$1 (not including interest) to $1/$1:

Recent numbers from Statistics Canada, obtained by the CTF shows that only that only 25 percent of those in the private sector have a pension plan.

Even if someone in the private sector has the opportunity to have a pension program, most companies invest through a $1 to $1 contribution ratio into RRSPs or other investments. A return of 16 to 1 is grossly disproportionate and blatantly unfair.

The CTF strongly believes that the MLA program should be in line with private sector pensions.

Note: the proportion was 22 to 1 when you account for taxpayer funded interest in the pension program.

3) MLAs found to have committed criminal malfeasance related to their office should forfeit their right to collect a taxpayer-funded pension

The Nova Scotia Auditor General's report on MLA expenses caused a number of MLAs to admit that they claimed inappropriate expenses and five MLAs are now before the courts on criminal charges.

The CTF believes that if an MLA abuses their position of trust, and it's found in a court of law that the MLA committed a crime while in office, then that MLA should not be eligible for a taxpayer funded pension.

4) Eligibility for MLA Pensions

The CTF opposes the current plan that allows MLAs to begin collecting a pension, at a penalty, at age 45, and to be eligible for a full pension at 55. At the very least, eligibility for the plan should begin at the same age as those collecting out of the Canada Pension Plan (CPP).

Note: If the commission supports our call to scrap the current plan for an RRSP, matching contribution plan, changes to the eligibility requirement will not be warranted.

5) Entrench the appointment of a citizens' panel into law to determine matters of MLA compensation

MLAs, in the past, have voted on pay increases for themselves and changes to their own pension programs. In no other job can the employees determine their own pay.

A "citizens' panel" would consist of randomly selected citizens to review and make recommendations surrounding how MLAs are compensated in Nova Scotia. A citizen's panel should be made up of ordinary citizens from all walks of life that accurately reflect Nova Scotia's society.

Conclusion

The commission's review of MLA pensions is important. Over the past few years the public confidence in the political system has been eroding and rebuild trust. Already the provincial government has implemented a number of measures to change the way the MLA expense system works. The review of the MLA pension program is the next step.

The needs and viewpoint of taxpayers should be at the forefront of this committee's deliberations. Our Federation has heard from Nova Scotians and so too has the Province's politicians. In launching the review, Speaker Gordie Gosse admitted that public pressure was one reason the review was implemented.

The Canadian Taxpayers Federation has recommended some common sense reforms that would clean up the system and also ensure that MLAs are fairly compensated. We appreciate you considering them and look forward to hearing your recommendations in early November.

Thank you again for participating in this panel, and for allowing our Federation to contribute to this work.

June 10/2011

Hi

I am writing about the MLA Pension Plan How can they justify pensions so large as up to $90,000.00 yearly when so many seniors are living at poverty level.

"So justify that to taxpayers"

We as taxpayers pay $6.79 for every $1.00 an MLA contributes!

This review will cost Taxpayers around $50,000.00 that doesn't come from MLA's pockets.

I for one recommend a ROLLBACK of at least 20% and that would make the employer of the MLA's (being the taxpayer) very happy.

One last thing I would like to drive the MLA's over some of our horrible roads until they had enough like everyone else and then be happy to forget about their Pensions (like seniors have to) and get on with governing our province.

RECEIVED
JUN 29 2011
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Clementsvale

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Contacts
Tasks

Compose mail

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Important
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Drafts (4)
Personal
Travel
6 more

Byrne Williams

Search, add, or invi

Invite a friend

Send Saved Discard Draft autosaved at 10:59 AM

From: Byrne Williams <byrnew7@gmail.com>

To: MLA Pension Review @ gov. ns. ca

Add Cc | Add Bcc

Subject: MLAPensions

Nova Scotia MLA,s pension plan is the most lucrative plar
60% of the population have no pension at all.For every 1 $
payers,if interest is included, puts in $22.MLA pensions cc
The existing NS-MLA pension plan should be scrapped ar
benifit plan"to a "defined contribution plan" in which tax pa
for dollar.The new MLA pension should be more in line wit
Act.

Yours seriously
Byrne M. Williams
June 13/11

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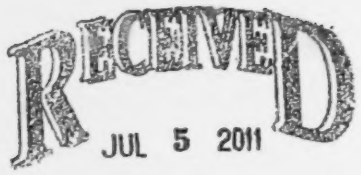
PAUL MacEWAN
1049 Victoria Road
Sydney, N.S. B1N 1K9
Tel. (902) 539-2696

June 29, 2011

Hon. David Gruchy, QC
MLA Pensions Review
c/o the Clerk's Office
1st floor, Province House
P.O. Box 1617
Halifax, N.S. B3J 2Y3



Dear Mr. Gruchy :

The first item I received by mail after the resumption of postal services on Tuesday of this week was your letter, dated June 10, unsigned, not on official letterhead stationary, and containing no specific terms of reference for your review, although I was able to obtain these via the Internet and a copy of them is attached.

These terms of reference are quite general in tone and could be interpreted in a wide variety of ways. While they lay down certain guiding principles, they contain no specific reference to existing MLA pensions vis-a-vis those to be paid to sitting Members who retire in the future. Nor is there any reference made to the fact that existing MLA salaries were raised substantially in the year 2006, and pensions awarded prior to that year remained as they had earlier been calculated, plus cost of living adjustments. No provision was made at all for proportionately raising the pensions of those MLAs who retired prior to 2006 in conformity with the pension raises conveyed to sitting Members by the 2006 salary raise.

I retired in 2003, for reasons of health, after winning nine elections in a row between 1970 and 1999, an all-time record. When I was first elected the annual indemnity was $ 5,000 plus a tax-free expense allowance of $ 2,500 paid in a lump sum once a year, this being the last day of the spring session of the Legislature. While this was marginally higher than I had been making in my previous employment as a school teacher, my creditors could not

believe that the salary was paid only once a year and I had to defend myself against a number of lawsuits based on the belief that I was not telling the truth about this.

In the fall of 1974, the total pay for the year was raised to $ 14,400, with provision for it being paid biweekly, and it was really only from that point onward that I had a dependable income of the type I had become accustomed to in my seven years as a teacher. In time I rose to become the elected Speaker of the House, serving in that position from 1993 to 1996. As you know, one of the functions of the Speaker is to serve as Paymaster, and during my time in that capacity, I am happy to report that not one cent was ever reported to have been overpaid, nor were any claims for expenses that were not genuine expenses ever submitted by any of the Members I served.

In the spring of 2001 I suffered a cerebral aneurism and was hospitalized as a result for three months. During most of this time I was unconscious. When I regained consciousness, I found I had forgotten large areas of knowledge I previously had, chiefly in the fields of foreign languages, chemistry, and music. The only languages I could speak after regaining consciousness were English and Polish. I had to re-teach myself everything else, beginning with French and then relearning, word by word, German, Russian, Ukrainian, Arabic, Mandarin Chinese, and similar tongues. The only one I did not bother to relearn was Farsi, spoken in Iran, but in recent times I have tackled Urdu, spoken in Pakistan and another form of Hindi spoken in India, which is the fourth most widely spoken language in the world, Yoruba and Egbo both spoken in Nigeria, and others, the choice here being those languages I knew people who were conversant in. But all this was wiped out of my mind by the first aneurism I suffered, although there was a second one I underwent the following year, 2002.

I forgot the Periodic Table of the Elements, although one of my daughters holds a Ph.D. in chemistry. In music, I could remember neither the words for well-known songs, nor the melody for either Le Marseillaise or the Gymn Sovietskogo Soyuza. I forgot the liturgy of the church, specifically forgetting the words of the Nicene Creed that I found out I could no longer recall.

Although much of this gradually came back to me, and I taught myself the second time whatever seemed relevent, the medical advice I had from a

number of doctors including specialists was that the work I was doing was killing me, and I had better get out of it if I wanted to stay ahead of the undetaker.

When I was Speaker I had also been Paymaster on MLA pensions, and knew the officials in charge of the program. These provided me with definite figures on what my retirement income would be. At the moment this stands at $ 2,770 per month. Which certainly does not make me rich, although it is supplemented by both the Canada Pension Plan retirement pension and the Old Age Pension. These pay me $ 659 and $ 524 a month, totalling $ 1,183, so that my total monthly take-home pay is $ 3,953. Which means that for one day a month, pay-day, I have some money in my pocket, but then the day after that, I am back to being threadbare once again.

All this is by way of general background. When I retired, I received letters from the key officials involved informing me what my pension income would be. These letters I view as being like a contract, because they were based on the laws of the time. They were not based on any expectation that in times yet to come, the financial foundations on which the estimated pension income were based might be retroactively taken away by some unexpected development. Yet that is the threat I believe I may face to-day, thanks to what is happening.

Term of Reference 1 to me stresses the importance of respect for existing pension provisions, especially for those who retired prior to 2006. To have say one third of my existing income taken away from me by some fiat from Halifax would be disastrous and would probably force me into personal bankruptcy. I mentioned this possibility to my own MLA, who is the Hon. Gordie Gosse who appointed your Panel, and he downplayed such concerns as being most unlikely, noting the case of the former Air Force Colonel Russell Williams who, despite his convictions for two murders and all his other offences, **did not lose his military pension**. This is confirmed on the attached page 1 of Wikipedia's article on Williams, showing that in spite of everything, Williams was still entitled to receive his military pension.

Term of Reference 2 appears to create unlimited power to the panel to review everything that exists, this certainly including the adequacy of the pension I now receive, and then to recommend whatever cuts it deems appropriate. "The Panel ***shall*** examine all aspects of MLA pensions and other retirement benefits including the plans that are already in effect"

certainly implies a direct threat to the pension income I now receive. I realize that such words could also be used to justify a recommendation for a moderate raise, but that is just as unlikely, in my view, to Speaker Gosse's view that your panel would bear in mind the Williams precedent and would not go recommending a slash of existing pensions for Members who retired many years ago in the belief that, whatever the level of pension paid was to be, that much income was dependable on a monthly basis and would not be varied save by the cost of living adjustment.

I italicized the word "shall" above because you know that this word makes mandatory whatever follows. Just as in Term of Reference 3, where "shall" is employed once again ordering the Clerk of the Legislative Assembly to provide administrative services and support as your Panel requires. This does not allow the Clerk any opportunity to go on strike !

Term of Reference 4 mandates provision of appropriate honoraria and expenses as reasonably incurred but I note your letter says nothing about providing travel expenses to those who would have to go long distances to meet with your panel at the one location mentioned, Halifax.

Term of Reference 5 provides one principle to guide your panel in its work. Yet the two sentences contained within this principle make no mention of the need for stability and dependability in setting legislative pensions. Setting pension rates at a "fair and reasonable level" is only one of a number of considerations which, in my view, ought to be kept in mind. If the pension paid is to be $ 2,700 in January, but cannot be counted on to be paid at a similar rate in each succeeding month of the year, because of some desire to be "fair and reasonable" resulting in the retiree being jerked up and down like a yo-yo, that, in my view, is neither fair nor reasonable at all.

I did not originally offer as a candidate for the House of Assembly in the expectation of receiving a pension at all. Whatever pension was paid back then would have been a fraction of $ 5,000 and that would not have been much. In any event, the age at which a pension was payable back then was 60 and that seemed an awfully long way off when I was thirty, and certainly of no immediate concern. It was only as I continued to run and to keep getting re-elected that pension levels became of any interest. So I do not think the MLA pension plan is a likely source of inducement to having qualified people seeking election in the first place.

So I do not think the final part of sentence two of the one principle laid down, that a pension "so generous as to be a major inducement for seeking office," ought not to exist, is applicable here. Yet even by making such a suggestion in the one term of reference laid down, it almost guides your panel in the "right" direction, of recommending a pension cut for the political advantage of the current government which ere long will be seeking re-election to office.

Certainly $ 2770 a month for having worked thirty-three years in an industry does not seem generous to me. My friends who stayed teaching school at the time I was elected are now retired teachers, and they generally get more per month than I do. I know this, because I ask them !

It ought not to be hard to compare the pensions currently being paid to former MLAs who retired prior to 2006 with those being paid to retired teachers, for the teachers' pension information is easily accessible. Or, as retired justices of the Supreme Court, it should not be hard to compare your own pensions with what I am receiving, if you want to identify what might constitute a fair and reasonable level.

Term of Reference 6 identifies a course of action the government intends to follow in completing this business. But compare the schedule set out here with the government's own need to go before the people of Nova Scotia to trumpet a list of claimed achievements :

November 5, 2011 : Panel reports. Chronicle-Herald trumpets. Government election planners preserve headline coverage, editorial reaction, cartoons, etc. for their upcoming election publicity.

Spring, 2012 : Government introduces legislation to implement panel's recommendations. Repeat of above procedure in tems of continued election planning. By now new candidates' election signs are being screened, old ones cleaned for use the second time, and possible election campaign headquarters are being rented or leased.

You may think this is a four-year government and that the next provincial election may not take place until June of 2013, but who is to say that is this government's intention ? John Buchanan, who used to be my paper boy growing up in Sydney, never waited four years to call another election at all, and if anyone could win elections, it was Honest John. He

went in 1978, 1981, 1984, each just three years after the last election. So what at your stage may be a high-minded exercise based supposedly on sound principles may liklely, in the end, be but part of the government's re-election manifesto.

Or, again, the government may not introduce legislation at all to carry out your recommendations. One job I had in the past was a Government House Leader for Premier Russell MacLellan ; in that capacity, one learns quickly various schemes and devices by which legislation may be dangled before the public, with no intention of making it happen, but nonetheless, wanting to milk it for all its political worth. A bill can be introduced but then not called for Second Reading. Or it can be farmed off to some investigatory committee whose public hearings can be scheduled all across the province with the intent of so prolonging things that the committee willl never report back in at all, prior to dissolution of the House. There are numerous other such devices available, the general over-riding principle here being that of whatever will work towards the ultimate goal of any government, which is not so much to improve conditions, as to seek its own re-election.

Beware that the government that appointed your panel does not exist primarily to cut retired MLAs' pensions. It has had a very difficult time in a series of by-elections held since the last provincial election, and has not won a single one of these. They desperately need something to shift public attention away from the series of cuts to education, health not moving forward, highways in an ever-increasing state of neglect, and so forth. The issue of cutting back the overpaid, overfed, and underworked former MLAs has tremendous symbolic appeal, would not create any widespread difficulty save for the small handful involved, and could well cause voters to forget how they lost their local school thanks to this government's education program, or lack of one.

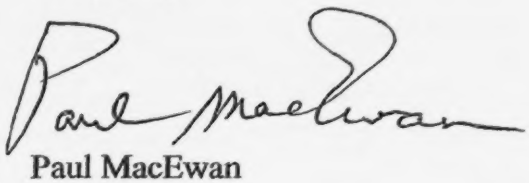
I would submit that in general terms, the thrust of your enquiry is directed at those MLAs and former MLAs who were affected by the salary adjustments of 2006, and not previous to that. There is also a legislative principle involving retroactivity, that insofar as is possible, it should be avoided, for were your recommendations to cut my current pension by 10 per cent, retroactively, to what extent would that require me to pay back what I had already legally received ? Again, this is something I think should be thought over very carefully~~, b~~efore proceding ; the injury I could sustain

would be compounded were this to be recommended and then subsequently legislated.

I hesitate to bring back the case of Russell Williams once again in concluding, but since this precedent was brought to my attention by Speaker Gosse, it would seem to me to be of some application here. If Williams, despite having killed two people and committed enormous acts of moral outrage above and beyond that, and who will be presumably serving the rest of his life behind bars, can still draw his full military pension, why should mine be cut now simply to satisfy the political needs of the current government, on the grounds that, at a net monthly pay of $ 2,770, I have somehow been overpaid ?

All of which is respectfully submitted for your consideration. With many thanks,

Yours truly,



Paul MacEwan

APPOINTMENT AND TERMS OF REFERENCE

APPOINTMENT

The Speaker of the Nova Scotia Legislative Assembly appointed a panel to examine the allowances and benefits of retiring members of the Legislature as provided by the Members' Retiring Allowance Act and any other relevant or related legislation, rules or regulations. To this end the Speaker of the Assembly appointed a three member Panel consisting of a retired judge, who shall appoint two citizens who are neutral, independent and who, by virtue of their professional backgrounds and experience are qualified to review objectively the present allowances and benefits of retiring members and to make such recommendations as they may deem appropriate.

The Speaker appointed the Honourable David Gruchy, Q.C., a retired justice of the Supreme Court of Nova Scotia to chair the Panel. Mr. Gruchy has appointed Mr. John Morash, C.A., a former chair of the Utility and Review Board of Nova Scotia and Mr. Ronald Smith, a former Chief Financial Officer of Aliant Telecom and later a senior vice-president and Chief Financial Officer of Emera Inc. and Nova Scotia Power Inc. to serve with him.

The Speaker requested the Panel to prepare and submit to him the Terms of Reference for the review, which terms the Speaker has approved.

TERMS OF REFERENCE

1. As a retirement plan is important to a person considering whether to enter the political arena it is essential that a Panel shall conduct a full review of the present plan and to make recommendations arising from such review publicly available.

2. The Panel shall examine all aspects of MLA pensions and other retirement benefits including the plans already in effect, their effectiveness and the cost of administration.

3. The Clerk of the Legislative Assembly shall provide administrative services and support to the Panel as required. The Panel may seek the assistance of consultants to provide it with advice and analysis and to ensure an arm's length relationship with the Legislative Assembly. Without restricting the Panel, they may obtain such actuarial advice and reports as they may deem necessary, which advice and report will be appended to the Panel's report to the Speaker.

4. The Speaker, on the recommendation of the Clerk of the Legislative Assembly, will approve funding for the Panel and may approve honoraria and expenses reasonably incurred.

5. The Panel shall be guided by the following principle respecting MLA Pension benefits:

> Members of the Legislative Assembly should be entitled to retirement benefits at a fair and reasonable level to ensure that capable individuals continue to offer themselves for public service. That level should not be so small as to discourage qualified persons from running, or so generous as to be a major inducement for seeking office.

6. Within six months after the MLA Pensions Panel is established and announced, the Panel shall deliver a report to the Speaker that sets out any recommendations for changes it determined should be made to MLA pensions and retirement benefits and shall give reasons therefor.

7. An appointment of an individual to the Panel terminates on the day the report is filed with the Speaker of the Legislative Assembly unless the appointment is earlier revoked or otherwise terminated.

Russell Williams

From Wikipedia, the free encyclopedia

David Russell Williams[2] (born March 7, 1963) is a convicted murderer, rapist, and former Colonel in the Canadian Forces. From July 2009 to his arrest in February 2010, he commanded Canadian Forces Base Trenton, a hub for air transport operations in Canada and abroad and the country's largest and busiest airbase. Williams was also a decorated military pilot who had flown Canadian Forces VIP aircraft for Canadian dignitaries such as Queen Elizabeth II and Prince Philip, the governor general, the prime minister, and others.[3]

David Russell Williams	
Born March 7, 1963	
Nickname	Russ Sovka[1]
Place of birth	Cardiff, Wales
Allegiance	Canada
Service/branch	Canadian Forces Air Comman
Years of service	1987–2010
Rank	Colonel (revoked)
Commands held	CFB Trenton, Camp Mirage
Awards	Canadian Forces Decoration (revoked) South-West Asia Service Medal (revoked)

On February 8, 2010, he was relieved as the base commander at CFB Trenton due to criminal charges. He was formally charged by the Crown Attorney pursuant to provisions set forth in the Criminal Code of Canada on evidence collected by the Ontario Provincial Police with two counts of first-degree murder along with two counts of forcible confinement and two counts of breaking and entering and sexual assault;[4] another 82 charges relating to breaking and entry were subsequently added.[5] On October 21, 2010, Williams was sentenced to two life sentences for first-degree murder, two 10-year sentences for other sexual assaults, two 10-year sentences for forcible confinement and 82 one-year sentences for burglary; all the sentences will be served concurrently at Kingston Penitentiary. The life sentences mean Williams will serve a minimum of 25 years before parole eligibility. Since he has been convicted of multiple murders, Williams is not eligible for early parole under the so-called "faint hope clause" of the Canadian Criminal Code.[6]

On October 22, 2010, Williams was stripped of his commission, ranks, and awards by the Governor General of Canada on the recommendation of the Chief of the Defence Staff. His severance pay was terminated and the salary he received following his arrest was seized, although he is still entitled to a pension.[7][8][9]

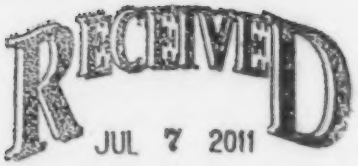
Contents

- 1 Personal life
- 2 Military service
- 3 Investigation and arrest
- 4 Confession
- 5 Court proceedings and trial
- 6 References
- 7 External links

Personal life

Williams was born in Cardiff, Wales, to Cedric David Williams and Christine Nonie Williams (née Chivers). His family immigrated to Canada, where they moved to Chalk River, Ontario. His father was hired as a metallurgist at Chalk River Laboratories, Canada's premier nuclear research laboratory.[1][10][11]

PO Box 126
Liverpool, NS
B0T1K0
July 4, 2011



CLERK'S OFFICE

MLA Pensions Review
c/o Office of the Clerk
1st Floor Province House
PO Box 1617
Halifax, NS
B3Y2Y3

Gentlemen,

Thank you for the opportunity to speak briefly to the matter of MLA Pensions. While I do not have data immediately available, I believe the anecdotal information following may be of some use to you.

Until the eighties, the position of MLA was largely considered part time. Ministers of course were deemed to be fulltime. Caucuses met monthly and perhaps less frequently excepting when the House was sitting. Sessions tended to be brief, usually less than several weeks in the Spring. Non-Cabinet MLAs by and large were able to continue their professions and businesses.

With the growth of government in the eighties, the role of the MLA rather quickly morphed into a fulltime occupation. Caucuses met weekly when the House was not in session. Constituency Offices were opened by most MLAs, sessions tended to be much longer, not infrequently lasting from late February to late June and occasionally into early July. While Fall sessions were infrequent in the 80s, by the nineties they were mandated by legislation thus further "professionalizing" the office of MLA.

Thinking back over the years, I am confident in the observation that few MLAs we able to sustain fifteen years of service to collect a full pension. The exception would be the period 1978-1993 during the Buchanan/Bacon/Cameron Premierships when Progressive Conservatives tended to be re-elected during that 15 year period. Even then, a number of those MLAs did not serve sufficiently long to meet the 15 year requirement.

Beginning in 1993 and on to the present, the Legislature has gone through a series of one majority followed by a minority so that MLAs came and went with greater frequency. In fact the last premier who enjoyed back to back majorities was Premier Buchanan and that was 23 years ago! The consequence surely is that fewer MLAs are in fact receiving a full pension as they are being retired earlier by the electorate.

Returning to the matter of life after the Legislature, it is clear that professional persons who have served two or more terms find it challenging to return to their careers. Whether

barristers, accountants, insurance executives, teachers, doctors, business people including farmers, few if any are able to pick up the traces where they left off. I recall the late John Savage once remarking that he had lost his provincial number and could no longer practice medicine if he ceased to be Premier. I distinctly recall speaking with a friend from another party who after one term said he had to make the decision whether to return fulltime to his law practice or not reoffer. He chose the latter. Going back is problematic and the MLA pension must recognize that.

There is now a complication afoot respecting MLA Pensions. A few years ago a recommendation was accepted by the government of the day to forgo the MLA tax free allowance in favour of a grossed up, fully taxable stipend. This had what I must assume is the unintended consequence that the paid out pension benefit increased significantly. It is unfortunate that a mechanism was not simultaneously put in place to prevent this. This is an area that the Panel should review.

I believe it would be more than unfair to revisit the pension benefits of those who have retired. I also believe it would be inappropriate to make changes to the Pension Plan that would impact current sitting members. I do support changes in advance of the next provincial general election so any Nova Scotian considering seeking provincial office will know what benefits accrue to those who are thus blessed by the electorate. This should include a mechanism whereby the change from tax free allowance to fully taxable stipend is resolved. One possible solution would be the extend the number of years for full eligibility beyond 15 years, but certainly not more than 20 years. Consideration might also be given to extending the period for eligibility to two elections or at least eight years from the current five. I believe the current age for full eligibility is reasonable.

I hope this submission in some small way is helpful to the Panel. Should I be able to be of further assistance, I can be reached at the above address or at 902 354-5553 or by email at j.leefe@eastlink.ca.

Sincerely yours

J. G. Leefe

Hon John G. Leefe DCL

RECEIVED
JUL 20 2011
CLERK'S OFFICE

11 Jul 2011

MLA Pension Review
c/o The Clerk's Office
First Floor
Province House
P. O. Box 1617
Halifax, NS B3J 2Y3

Dear Sir/Madam:

Regarding MLA Pension Review - I'm all for bringing it in line with ordinary people who work longer hours than MLA's and receive much less pay.

They get more in perks than ordinary people make in salaries. Their transportation is paid for - when the ordinary people have to use their own car or take a bus. Do they work six months a year?

The scandal of stealing from the taxpayers , left many of us in a negative mode in all levels of government. This puts the honest members in a position they don't deserve.

No wonder voter turn out is so low.

Thank you and MAKE the right decisions for the people.

Harriett Grant

Harriett Grant
2641 Northwood Terr. Apt. 203
Halifax, NS B3K 3S6
Ph: 429-8196

Gary D. Foran
3136 Agricola Street
Halifax, Nova Scotia B3K 4G5

July 15, 2011

Mr. David Gruchy, Chairman
Committee Responsible for
Reviewing MLA Pensions

Dear Mr. Gruchy:

Please find enclosed a brief for you and your committee to consider.

Sincerely,

Gary Foran

Brief

Presented to

Mr. David Gruchy, Chairman

Mr. John Morash & Mr. Ronald Smith

Committee Responsible

For Reviewing

Members of Legislative Assembly (MLA)

Pensions

Submitted on July 15, 2011

Prepared by
Gary Foran
Halifax North End Resident

I would like to thank the committee for allowing me the opportunity to present this brief.

Nova Scotia and its Taxpayers can No Longer afford to deal with:

a) The high cost associated with making annual contributions to MLA's Pension Plan.

   Taxpayer's contributions run into the millions of dollars annually and can No Longer Be Sustainable.

b) Taxpayers can No Longer deal with the uncertainty and the volatility of covering SHORTFALLS to a plan that ensures a fixed level of pension in retirement.

   These SHORTFALLS involve current and future unfunded liability issues that run into the Tens and sometimes Hundreds of Millions of Dollars.

As you know, the government (Taxpayers) MUST FULLY FUND the plan and therefore, must cover any shortfalls from time to time.

Under the current format this can no longer be sustainable.

Should we provide our politicians with some form of compensation for representing us?

"Absolutely"

But it has to be in a different form than the one that's in place now.

Therefore, I would like to respectfully suggest the following:

a) Wind up the current plan December 31, 2011.

Actuaries would then start the process of calculating how much each current MLA is entitled to.

They would then prepare a detailed document for each MLA outlining their entitlement and when they would be eligible to start collecting a pension from the paid up plan.

b) Beginning in 2012, We the Taxpayers would make a *$10,000* RRSP contribution to each MLA's financial institution of their choice, (total cost *$520,000* per year based on 52 members).

Each member could then make an additional contribution based on what their maximum allowable is (range would be between *$9,000 - $15,000* per year). They would then be responsible for their own long term investing.

We need to remember that our politicians are well educated and more than capable of taking care of their own retirement plan.

c) Those MLA's who are currently retired would continue to receive their pension as outlined in the current plan. The reasoning for this is based on Law and the fact that the province made a promise to them at retirement and that promise **must** be maintained.

Under this format the province would Save Millions of Dollars Annually and *TENS OF MILLIONS* in not having to deal with future unfunded liability issues.

I realize all the above is a major move and it will take ***TREMENDOUS COURAGE*** to move away from something that has been traditional and enshrined in our political system.

But, the time has come for this committee to make the changes required for the Long Term Benefit of All Nova Scotians for now and into the future.

Thank you for taking the time to read my thoughts.

Tuesday, August 17, 2011

PO Box # 1026
44 School Street
Middleton, NS
B0S 1P0

MLA Pensions Review
C/O The Clerk's Office
First Floor, Province House
PO Box 1617
Halifax, NS.
B3J 2Y3

Dear Sir or Madam;

I would like to submit these suggestions for MLA's pensions;

Eligibility: ① No longer serving as an MLA.
② Over the age of 55
③ Five (5) or more years as an MLA.
④ Winning at least two elections.

Contributions: ① 10% of MLA base salary per year by Member
② Matching amount by Province
③ No contributions beyond 15 years
④ Separate fund administered by the Minister of Finance

Benefits: ① 3% per year for each of the first five (5) years
② 2½% per year for each of the next five (5) years
③ 2% per year for each of the next five (5) years
④ Maximum pension 37½%, of the average of the MLA's base salary over the contributing years
⑤ Life time benefit with Spousal Pension of 60% of Members pension.

The purpose of restricting or limiting the contributory and Benefit period to a maximum of 15 years is so that serving, should not be seen or taken to be a life-long job, profession, or service!

Respectfully yours,
S. Albert Johnson
1-902-825-3062

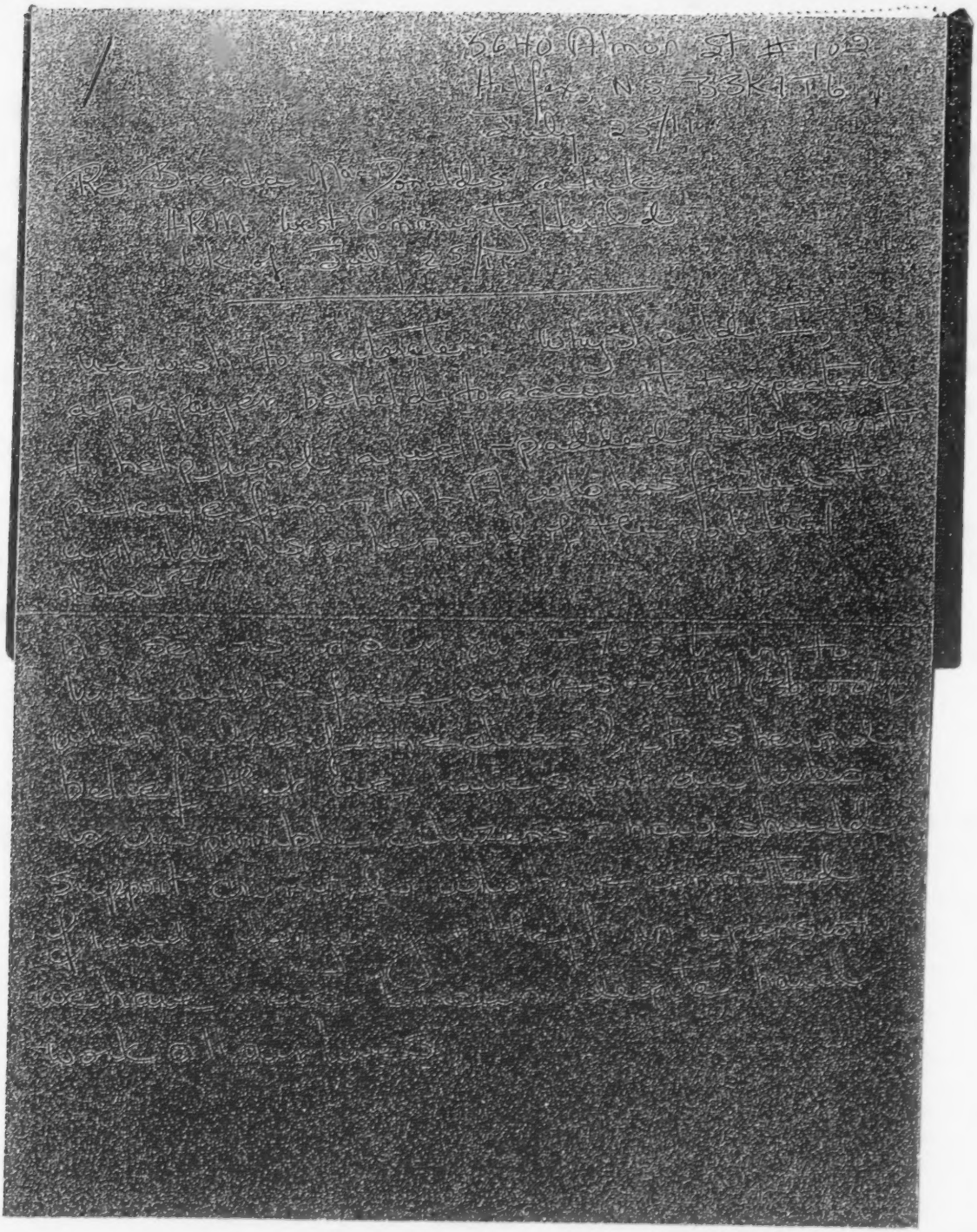
RECEIVED
AUG 12 2011
CLERK'S OFFICE

52 Victoria Rd.,
Dartmouth, N.S.
B2Y 2V9
Aug 3, 2011

To whom it May Concern,

The MLA's who've been found guilty of wrongfull spending in N.S. should not qualify for pensions — you should not be able to profit from crime. We as tax payers should not have to finance their retirement.

Sincerely,
D MacNeil



PAUL MacEWAN
2542 Lingan Road
Lingan, N.S. B1H 5G4
Tel. (902) 862-2332

September 1, 2011

Hon. David Gruchy, QC
MLA Pension Review
c/o the Clerk's Office
1st floor, Province House
P.O. Box 1617
Halifax, N.S. B3J 2Y3

Dear Mr. Gruchy,

To-day being the last day on which to submit submissions, I had best get this off, intended basically as a post-script to my earlier submission dated June 29, in which I drew a distinction between those MLAs who served after the salary raise of 2006. and those who retired prior to that year, who receive a much lower pension based on the salaries paid prior to that time, such as me. My MLA pension currently pays me a net monthly income of $ 2,770, so that I can focus your attention on what I refer to, vis-a-vis pensions based on current salaries, or those paid based on those of the post-2006 period.

Earlier pension commissions studying this matter had recommended that the pre-2006 pensions be raised, but this was never done, other than cost-of-living adjustments.

In my earlier submission, I argued that the overall impetus leading to the establishment of your commission was more one of politics than anything else. The present government has had a hard time selling itself to the public, as shown by consistent losses in by-elections throughout the province. It has contended that the coffers are bare, even if deficits forecast have not materialized, and used this to justify a state of war against education, and a state of virtual war against almost all public services. This based on the idea that socialism, the presumed aim of an NDP government, can best be achieved by balancing the budget, more so than the provision of services

that will meet the needs of the public, let alone any vision for the overall improvement of society.

Concurrent with this, there developed the MLA Expense Scandal, which involved MLAs of the opposition parties more so than the government, but which nonetheless descended on Nova Scotia while the NDP was in power. Hence the need of the government to undertake some measure that will deflect public attention away from both the backlash caused by the MLA Expense Scandal, and also the reaction to their bias against education in particular and improved public services generally.

The government think-tank is constantly on the prowl for measures to improve the government's general image which can be undertaken without cost to the public treasury. One might have thought labor unions might be a source of ideas for an NDP government, but as the union proposals are generally for an expansion of existing costly government services, these did not prove generally attractive to those now in power. They did, however, latch on to one organisation which appears ideologically very much in step with this government, and that was the Canadian Taxpayers Federation.

Now the Taxpayers Federation, so-called, is not an organisation of any mass following in Nova Scotia. It purports to act as a voice for the taxpayer, a term inclusive of all who pay taxes, but without a membership base in any way reflective of the majority of taxpaying citizens of this province. I do not know how many Nova Scotian taxpayers it actually represents, but I can tell you that in a career of public service spanning thirty-three years and having won nine provincial elections in a row, never once did I meet anyone who said they were a member of the Canadian Taxpayers Federation.

To the best of my knowledge the Taxpayers Federation has its organisational base in Western Canada, and has very little presence in the five eastern provinces. Nonetheless, by an ardent propaganda wing producing multitudinous publications, they purport to represent wide numbers of citizens who supposedly support whatever is coming out from the Taxpayers Federation. Now the Taxpayers Federation for some years has been calling for an MLA pension review, by which it means an MLA pension cut, as well as a similar income reduction for the currently serving MLAs, all of whom the Taxpayers Federation considers as drawing lavishly from the public treasury while producing nothing of substance. An attitude very much reflective of an anti-political bias. Indeed, a mindset very similar

to that of the Tea Party which has come to dominate the Republican Party in the United States, by imposing a suffocating strangle-hold on the GOP from a minority position, which has played a key role in the congressional deadlock that has developed in Washington leading to the recent lowering of the United States credit rating.

It may be thought that a group similar to the Tea Party does not exist in Canada, but the more one reads the publications of the Canadian Taxpayers Federation, the more one notes the great level of similarity found in their proposals versus those of the Tea Party. I mention this in the context that the Taxpayers Federation presents itself as a non-partisan and apolitical forum. But then the Tea Party does not run a separate slate of candidates to those of the mainstream Republicans ; rather, it seeks to infiltrate that party by capturing key nominations and electing its members on the Republcan ticket, so that the Tea Party can gain power without having to bother to meet the ordinary requirements of setting up a separate political party. It seems that in Nova Scotia, the zealots within the Taxpayers Federation view the NDP as the means to them gaining power here, or attempting to gain power, through similar tactics.

Thus the Taxpayers Federation proposals for an MLA pension review, translating to pension cut, seemed to make ideal sense to the NDP moguls as they surveyed the list of by-election losses, the MLA Expense Claim scandal, and the likelihood of further budgetary cuts. The number of retired MLAs in Nova Scotia is a very small number of people. Certainly if any group within this province could be considered a minority group, it would be the retired former MLAs. To take this small group, and take away from them a good part of the small income they rely on to exist, would hurt no-one, in a direct sense, other than the retired MLAs, and those who financially depend on them. Yet the optics of undertaking such a measure would look very good to a government desperately trying to get re-elected, despite having secret plans to close yet more schools if it regains power, if not to close hospitals and allow highways to become the worst in Canada.

Thus the Taxpayers Federation has put out a series of publications such as its ***Report on Nova Scotia MLA pensions, salaries, and expenses***, which features a wide range of accusations and claims of "fact" despite representing a very poor level of research. When you are dealing wth an area which has been very inadequately researched in the first place, including one of which the Press Gallery is generally ignorant, it is possible

to make sweeping claims of fact without justification, and thus to deceive the public on a grandiose scale.

Attached is a copy of a press item from CBC News dated March 23 of this year headed ***MLA Pension Review to be chaired by ex-judge***. This item quotes the Hon. Gordie Gosse, Speaker of the House. It mentions no organisation, other than the Legislature itself and the political parties represented in it, save for the Canadian Taxpayers Federation. I mention this to indicate the degree to which this government has become dependent on the Canadian Taxpayers Federation in its search for new ideas, particularly in this case the idea of inflicting, or recommending the inflicting, of a cut to those pensions retired MLAs now receive, regardless of when they retired or on what scale of salary those pensions are based.

I merely mention these things as indicating part of the terms of reference under which your commission is operating. I know that you have written your own terms of reference, and I have read these carefully. With reference to pensions, they do not rule out a factoring in of the lower salaries the pensions of those who retired prior to 2006 are based on, nor do they even rule out the recommending of a small raise for the people who must spend the rest of their lives trying to exist on a small monthly income, rather than living high on the hog as portrayed by the Canadian Taxpayers Federation.

I have no idea, in advance, what your commission will ultimately recommend. All I know now is that the position of the Canadian Taxpayers Federation, on which this current government has become dependent in its source for a reliable font of wisdom, is that the existing pensions for MLAs, all of them regardless of when they retired or what their current level of income may be, are far too high and need to be cut drastically. I am sure the Canadian Taxpayers Federation would agree with that portrayal of their lobbyings. Hence, when a government in power becomes dependent on such a source to find out in what direction to steer the ship, is that not cause for alarm ? As was Nicholas II's dependence on Rasputin to find out where next to go ?

To what extent is a retroactive cut in an existing pension legally permissable ? I have already mentioned that Russell Williams, sentenced to a life term in prison for two murders and now serving the time, still did not lose his pension as a result. Item 2 attached is another CBC news item, this time reflecting the view of the retired Supreme Court judge who headed the

enquiry set up in New Brunswick to consider these matters.

Mr. Angers says that any employee, this including a former MLA, has the right to expect whatever (pension) compensation as was in place at the time that they were working. It would be "legally difficult," Mr. Angers says, to claw back the pensions of MLAs who had already retired. I am sure he is available to your Commission to elaborate on these matters should you wish.

"The legal principle basically is that if you have vested rights, it's difficult to come back later and change them," Angers said.

When this government was elected two years ago, I certainly did not expect to see it become dependent on the Canadian Taxpayers Federation for ideas as it lurched forward. I did not know quite what to expect, but maybe like most people I dared to hope for some new vision of change, but not change of the Tea Party type. It is most disappointing to see what has happened, with this coalition developing of the NDP and Nova Scotia's equivalent of the Tea Party, but then I also did not expect to see Barrack Obama's presidency sabotaged in the way it has been either.

Hopefully you and your commission will bear these things in mind as you develop your report. Doubtless the NDP-Taxpayers Federation coalition will hope your report recommends the maximum cut imaginable on all retired MLAs, regardless of when they served or what salary they drew when serving, so that they can implement this just before they call the next provincial election on a theme of, "See what good girls and boys are we ! Never mind the loss of your school, or the pending loss of your hospital ; just look at how we put the boots to those terrible retired former MLAs ! Hurrah for us !"

I make no recommendation on the funding of the pension paid ; it is the responsibility of government, I should think, to address that. Nor do I say anything on any other area of your studies, although I served as Speaker of the House for close to four years, a time during which there was no MLA expense claims scandal, nor to my knowledge was there any question that the ammounts paid out by my office were correct and well-founded.

All of which is respectfully submitted. With many thanks,

Yours truly,

Paul MacEwan

MLA pension review to be chaired by ex-judge

BC News
osted: Mar 23, 2011 6:19 PM AT
ast Updated: Mar 23, 2011 6:19 PM AT
ccessibility Links

eginning of Story Content

Gordie Gosse, the Speaker of the Nova Scotia legislature, says a retired judge will chair a panel to review LA pensions.(CBC)

e Speaker of the Nova Scotia legislature says a retired judge will chair a three-person panel reviewing MLA pensions.

rdie Gosse said he met with house leaders from all three provincial parties on Wednesday and they agreed that legislative members will ve no part in selecting the panel or figuring out its terms of reference. That means all MLA pay and perks are potentially up for review.

can be salaries, it can be whatever. Whatever they come back with, that's what it'll be," Gosse told reporters.

sse said he has a list of three retired judges and he is in the process of contacting them to see who is available to head the panel. That rson will be responsible for selecting two citizens to round out the three-person panel.

had said all along it was going to be an independent citizen's panel and this is the best way to deal with this issue," he said.

o MLA or current MLAs or retired MLAs will be involved in this whatsoever."

ce the panel is formed, it will have six months before it must report to the legislature with recommendations.

se recommendations will not be binding, Gosse said, and it will be up to the legislature to make the final decision.

e opposition Progressive Conservatives had been pushing to ensure the pension panel didn't include past or current elected officials, while Liberals wanted pay scales reviewed as well.

gressive Conservative house leader Chris d'Entremont, who attended the meeting with Gosse, said his party was in agreement on how to ceed.

is is the approach that our party's leader, Jamie Baillie, insisted would be a requirement for our party's support," d'Entremont said in a s release.

e pension plan of Nova Scotia MLAs has been criticized by many, including the Canadian Taxpayers Federation, for being too generous.

e plan allows provincial politicians to begin collecting a pension after six years in office and allows veteran MLAs — those who have rked more than 15 years — to receive up to three-quarters of their salary.

*h files from The Canadian Press*Accessibility Links

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Retroactive MLA pension reforms difficult: judge

CBC News
Posted: Mar 17, 2011 7:01 AM AT
Last Updated: Mar 17, 2011 7:25 AM AT
Back to accessibility links

Beginning of Story Content

The New Brunswick government may not be able to claw back pensions approved for MLAs who retired before the last election, according to o the one of the authors of a report into pensions for politicians.

New Brunswick MLAs unanimously approved themselves generous increases in their pension plan in 2008.

The report, released this week, is calling for those pensions to be reduced.

However, Jean-Claude Angers, the retired judge who co-wrote the report, said he's not sure if his recommendations can apply retroactively to politicians who are no longer sitting in the legislative assembly.

Angers wrote in his report the controversial increase should be reversed. However, the retired judge said it could be legally difficult to claw bac the pensions of MLAs who have already retired.

Some critics say those former members should lose some of the money they voted themselves in 2008.

But Angers said any employee, including an MLA, has the right to expect whatever compensation was in place when they were working.

"The legal principle basically is that if you have vested rights, it's difficult to come back later and change them," Angers said.

Premier David Alward said he'll implement Angers's report in the current session of the legislature.

End of Story Content

44 Clairmount Ave.
Bridgewater, N.S.
B4V 4C8
Aug. 23, 2011

MLA Pension Review
c/o The Clerks Office
First Floor
Province House
Box 1617, Halifax, N.S.
B3J 2Y3

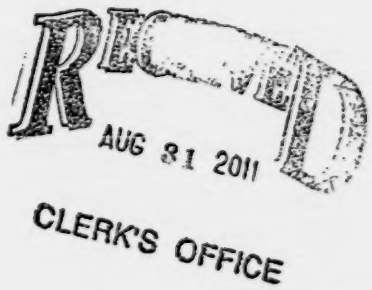
Gentlemen:

We often hear a great deal of criticism of the pensions paid to civil servants. As your panel considers MLA's pensions, I want to provide you with a comparison of pensions between myself, a former civil servant and my former MLA here in Lunenburg West.

There are many factors to consider but if my pension is criticized, there is definitely a major problem with all MLAs pensions.

Sincerely,

Bob Selig



Comparison of Pensions
MLAs and Provincial Civil Servants

- **Work history:**

Myself--- I worked with the Dept of Transportation for 37 years, retiring in 1997 as a result of cut backs. I was a Regional Office Supervisor/ Accountant in one of 13 Divisional Offices and one of 6 regional Offices for over 21 years. For 8 years I was a Regional Accounting Supervisor/ Auditor/ Investigator for western Nova Scotia and when required; throughout all of Nova Scotia. My remaining 8 years was spent in various jobs, ending as an accounting supervisor at head office.

As Office Supervisor I was responsible for $M's of dollars: tracking & assigning them to an array of capital jobs and current maintenance activities. I also supervised a staff who prepared payroll, processed invoices, expense accounts, truck & equipment accounts, etc.

As an auditor /investigator I oversaw 5 Divisional Offices and investigated many employees for fraud and theft; having some of them fired and/or charged through the RCMP.

My time with the Dept. was marked with integrity, honesty, and hard work, often working longer hours than my staff. I was known as an employee who looked for cost savings, reporting innovations etc; knowing full well that I was working for the tax payer. I was known as being very hard on those who would try to use their positions for personal gain.(I did not go behind closed doors to enact regulations to enrich myself)

My MLA--- She was an elected MLA and cabinet minister for all of her 6 years . She also handled $M's of dollars but she had Deputy ministers and staff to advise her with very little scope for decisions on her own. An MLA's work does entail long hours.

>Education:

Myself--- 4 to 5 courses short of my CMA

My MLA--- a Bachelor of Commerce, maybe a CMA

>Salary:

Myself--- I worked my 37 years with a starting salary of $2,100.00 and ended with a salary of $41,213.12. My travelling was on a very restricted expense account. I retired in 1997 at age 56.

My MLA--- She was an MLA for 6 years with an ending salary of $86,619. and an additional approx. $45,000. as a cabinet minister. Her travel was by leased car and later I believe with $700.00/month for a car of her own and a gas card. You are aware how badly all MLA's abused the system for their own gain. She was defeated in 2009 in her mid forties.

My pension on retirement was $28,238.79
My MLA's pension at age 55 will be $30,692.41

2413
97/08/11 PROVINCE OF NOVA SCOTIA - DEPARTMENT OF FINANCE
CALCULATION OF PUBLIC SERVICE SUPERANNUATION ALLOWANCE

PART 1: PERSONAL DATA

Name:	SELIG, ROBERT CALVIN		
S.I.N.:	104-026-281		
Birth Date:	1941/08/23	Sex:	MALE
Marital Status:	DIVORCED	Age:	55, 11/12
Name (Spouse):		S.I.N. (Spouse):	0
Birth Date (Spouse):		Age (Spouse):	00, 00/12
Address:	75 MACNEIL DR., APT.7, BRIDGEWATER, NS CANADA B4V 3V5		
Department:	P3215-049 TRANSPORTATION & COMMUNICATION (STAFF SERVICES)		
Position:	SUPERVISOR		
Pension Type:	ELECTIVE	Employee Contributions:	36,587.80

Retirement Date: 1997/07/31 Effective Date: 1997/08/01

PENSIONABLE SERVICE

	YEARS	MONTHS
CURRENT AND PRIOR:	35	00
TOTAL PENSIONABLE SERVICE:	35	00

Part 2: AVERAGE SALARY & YMPE BASED ON 60 MONTHS SALARY

Note: YMPE means Years Maximum Pensionable Earnings under Canada Pension Plan

Year	Salary	Salary Within YMPE	Salary in Excess of YMPE
1992	15765.80	13127.69	2638.11
1993	38670.84	33400.00	5270.84
1994	39639.37	34400.00	5239.37
1995	41213.12	34900.00	6313.12
1996	41213.12	35400.00	5813.12
1997	25203.40	21893.07	3310.33
Total:	**$201705.65**	**$173120.76**	**$28584.89**
Average:	**$40341.13**	**$34624.15**	**$5716.97**

Part 3A: CALCULATION OF SUPERANNUATION ALLOWANCE PRIOR TO AGE 65

				YEARLY	MONTHLY
% x	AVERAGE SALARY $40341.13	x SERVICE 35 00/12	=	$28238.79	$2353.23
		TOTAL ALLOWANCE PAYABLE:		**$28238.79**	**$2353.23**

Part 3B: CALCULATION OF SUPERANNUATION ALLOWANCE AFTER AGE 65

Effective: 2006/09/01 Service Prior to 1966: 05 03/12 After 1965:29 09/12

INTEGRATED ALLOWANCE PAYABLE: AT AGE 65

					YEARLY	MONTHLY
2.00% x	$40341.13	x	05 03/12	=	$4235.81	$352.98
	Avg. Salary		Service Prior to 1966			
1.30% x	$34624.15	x	29 09/12	=	$13390.89	$1115.90
	Avg. Salary Within YMPE		Service After 1965			
2.00% x	$5716.97	x	29 09/12	=	$3401.59	$283.46
	Avg. Salary in Excess of YMPE		Service After 1965			
			TOTAL ALLOWANCE PAYABLE:		**$21028.20**	**$1752.34**

Pension Values for MLAs at March 31, 2008

Name	Member Date	31-Mar-08 Eligible	Annual Pension Benefit *	31-Aug-08 Eligible	Annual Pension Benefit **
Bain, Keith	1-Jun-06	N	N/A	N	N/A
Baker, Michael	1-Mar-98	Y	$55,425.41	-	-
Barnet, Barry	1-Jul-99	Y	$41,815.17	-	-
Belliveau, Sterling	1-Jun-06	N	N/A	N	N/A
→ Bolivar-Getson, Carolyn	1-Aug-03	N	N/A	Y	$30,692.41
Casey, Karen	1-Jun-06	N	N/A	N	N/A
Chisholm, Ron	1-Jul-99	Y	$36,371.97	-	-
Clarke, Cecil	1-Mar-01	Y	$40,575.03	-	-
Colwell, Keith	1-Aug-03	Y	$42,509.26	-	-
Conrad, Vicki	1-Jun-06	N	N/A	N	N/A
Corbett, Frank	1-Mar-98	Y	$36,347.98	-	-
d'Entremont, Chris	1-Aug-03	N	N/A	Y	$30,692.41
Dexter, Darrell	1-Mar-98	Y	$51,756.61	-	-
Dooks, Bill	1-Jul-99	Y	$31,542.68	-	-
Dunn, Pat	1-Jun-06	N	N/A	N	N/A
Epstein, Howard	1-Mar-98	Y	$36,347.98	-	-
Estabrooks, Bill	1-Mar-98	Y	$36,347.98	-	-
Fage, Ernie	1-Nov-97	Y	$52,837.59	-	-
Gaudet, Wayne	1-May-93	Y	$70,294.37	-	-
Glavine, Leo	1-Aug-03	N	N/A	Y	$19,369.31
Gosse, Gordie	1-Aug-03	N	N/A	Y	$19,369.31
Goucher, Len	1-Jun-06	N	N/A	N	N/A
Hurlburt, Richard	1-Jul-99	Y	$41,815.17	-	-
Kent, Rebecca	1-Oct-07	N	N/A	N	N/A
MacDonald, Manning	1-May-93	Y	$59,725.12	-	-
MacDonald, Maureen	1-Mar-98	Y	$36,347.98	-	-
MacDonald, Rodney	1-Jul-99	Y	$61,079.57	-	-
MacDonell, John	1-Mar-98	Y	$37,599.40	-	-
MacIsaac, Angus	1-Jul-99	Y	$63,471.16	-	-
MacKinnon, Clarrie	1-Jun-06	N	N/A	N	N/A
MacLeod, Alfie	1-Jun-06	N	N/A	N	N/A
Massey, Joan	1-Aug-03	N	N/A	Y	$20,026.90
McNeil, Stephen	1-Aug-03	N	N/A	Y	$20,983.49
More, Marilyn	1-Aug-03	N	N/A	Y	$19,369.31
Morse, David	1-Jul-99	Y	$47,501.62	-	-
Muir, Jamie	1-Mar-98	Y	$55,425.41	-	-
Parent, Mark	1-Jul-99	Y	$35,643.56	-	-
Paris, Percy	1-Jun-06	N	N/A	N	N/A
Parker, Charlie	1-Aug-03	Y	$22,288.55	-	-
Porter, Chuck	1-Jun-06	N	N/A	N	N/A
Preyra, Leonard	1-Jun-06	N	N/A	N	N/A
Raymond, Michèle	1-Aug-03	N	N/A	Y	$19,369.31
Samson, Michel	1-Mar-98	Y	$39,951.62	-	-
Scott, Murray	1-Mar-98	Y	$55,425.41	-	-
Steele, Graham	1-Mar-01	Y	$25,533.35	-	-
Streatch, Judy	21-Jun-05	N	N/A	N	N/A
Taylor, Brooke	1-Nov-93	Y	$62,607.05	-	-
Theriault, Harold Jr.	1-Aug-03	N	N/A	Y	$19,369.31
Whalen, Diana	1-Aug-03	N	N/A	Y	$19,518.47
Wilson, Dave H	1-Aug-03	Y	$32,263.09	-	-
Wilson, David A	1-Apr-00	N	N/A	Y	$19,369.31
Zinck, Trevor	1-Jun-06	N	N/A	N	N/A
		27		11	

* The Annual Pension Benefit has been calculated to March 31, 2008
** The Annual pension benefit has been calculated to August 31, 2008

Submission-MLA Pension Review Panel
July 26th, 2011.

Bernie Boudreau

There are **four principles** which I suggest should be taken into account in any pension review.

Principle One: Any changes made should only impact on pension benefits earned after the next provincial general election. In my view, there is an implied contract between the candidate seeking office and the public, as represented by government. Basic fairness precludes one party detrimentally changing the terms of that contract after the fact. A similar situation exists when a practising lawyer chooses to leave his/her firm to become a Supreme Court Judge. Further, in both cases, it is irrelevant to debate the extent to which the pension benefits impacted on that career decision.

Principle Two: MLA's pension benefits should not hinge on what value the public places on his competence, qualifications or contribution of a particular MLA or the institution generally. I suggest that your Committee must operate on the premise that every MLA is highly competent, committed and hardworking--- and that he or she has interrupted a successful career, which will be difficult to resume without some disadvantage, in order to make a contribution in public service. That is the standard when assessing the adequacy of pension entitlements. If that premise is not always correct, then wherein lies the fault.

**Principle Three: MLA`s pension benefits cannot be compared to private sector or civil service benefits.** The big difference is that there is no guarantee of job security—quite the contrary. The job doesn`t disappear, and you may perform at a high level, but you can be assured with rare exceptions that you will not hold it for more than a small fraction of a career. Arguably, you should not. And contrary to public opinion, the MLA job experience is not particularly valued by the private sector or elsewhere, and no logical career paths lead from that position.

Principle Four: If there is a fundamental change in the plan`s application which extends a benefit, that benefit should be extended to all recipients and not applied selectively. I will speak to this principle in some detail.

Schedule

Year	Indemnity	Tax Free Allowance
1988	$28,695.	$10,865.
2005	$35,212.	$17,606.
2006	$65,556.	Nil

The indemnity increase in 2006 was $30,344. For comparison purposes, when the 2005 indemnity plus tax free allowance is combined, it resulted in a onetime benefit of increasing pensionable income (and resulting pension contributions and benefits) by $12,738.

It is critical to note that this enhanced benefit did not occur in the normal course of ever increasing salaries and allowances. For example the 2005 earned pension entitlements would be greater than the 1988 version. This occurred naturally under the operation of the terms of the plan applied to an increasing remuneration package. What happened in 2006 conferred a special, out of the ordinary onetime benefit, which approach should have been applied across the board.

Recommended Solution: I would urge that the Committee recommend a recalculation of benefits for those MLA pensioners whose benefits were calculated prior to 2006. Such a calculation is not difficult. It would require a simple return to the original benefit calculation when the MLA commenced receiving the benefit, and adding to the tax free portion the same percentage calculation used in 2006 to convert it from that time forward into pensionable income. Using the new base entitlement, the appropriate increments can be easily done.

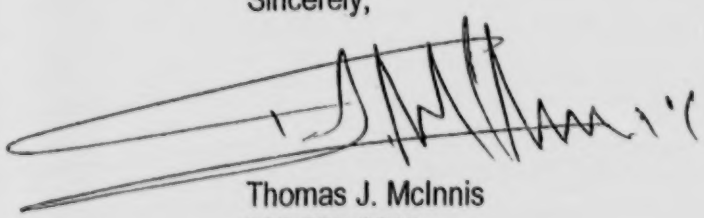
September 15, 2011

Honourable David Gruchy, Q.C.
Mr. John Morash, C.A.
Mr. Ronald Smith

Dear Gentlemen;

Thank you for providing me with the opportunity to meet and discuss the future of pensions for the elected provincial officials. I do hope my thoughts and suggestions might be of assistance as you deliberate on what the public perceive to be an important issue.

Sincerely,



Thomas J. McInnis
902-885-2645

Introduction - Working Career

Thomas J. McInnis
454 East River Road
Sheet Harbour, HRM, Nova Scotia
B0J 3B0

Telephone number: 902-885-2645 E-Mail: tommcinnis@live.ca

1963 – 1970	N. S. Power Commission Purchasing & Accounting
1970 – 1976	St. Mary's University – Commerce Dalhousie Law School – Articles
1976 – 1978	McInnis Mont & Randall Law Firm
1978 – 1993	MLA & Cabinet Minister Province of Nova Scotia
1993 – 2005	Lawyer with Boyne Clark Law Firm & Weldon McInnis Law Firm
2006 – Present	Private Business

PUBLIC OFFICE

In 1978 I was part of a very active law firm. In addition, my friend Rob Dexter and I owned the Halifax Water Tours and owned Maritime Travel Agency along with our Manager Mr. Jim Smith. Life was good, I was lucky.

For some time I had been approached by the Leader of the Official Opposition Mr. John Buchanan to seek the nomination for the Halifax Eastern Shore riding. I was 31 years of age. At the time it was truly an honour to be an MLA and becoming a Cabinet Minister was even more so.

There is a multitude of reasons why one seeks public office, helping ones community, effecting policy, loyalty to the party, a sense of importance and ego.

Part of the difficulty today in establishing a fair remuneration and some form of pension, is that the general public has a lack of understanding of what an MLA or Minister actually does. This greatly affects the public tolerance as to the worth of the Office. Elected office is challenging work and if done effectively, can change the lives of many.

Modestly and to illustrate, I say to you that as Minister of Transportation leading the charge for the first seatbelt legislation in the Country, as Attorney General and being handed the Marshall Inquiry report and implementing the 82 recommendations and as Minister of Labour following the Westray Disaster and bringing the victims families, miners and Corporate Officials together, all were heart wrenching and steeped in compassion, controversy, debate and pressure. There are like stories for all other Ministers I am certain.

An MLA literally works 18 hours, seven days a week, 365 days of the year. I like to eat at 8:00 PM Constituents eat earlier. Routinely I was disrupted to deal with an important issue for that person or group. You must be prepared to deal with all levels of Government, lead the respective causes for various groups, build economies, hold town hall meetings and stand in the House of Assembly and defend, promote and be questioned on everything from your departments' budget to responding to some major issue. Then, there are the milestone birthdays, anniversaries and funerals to attend, most of them happening on your weekends.

REMUNERATION AND PENSIONS

It has been said that you get the government you deserve. Do we want the farmer, fisherman, accountant, engineer, lawyer, doctor, small business person, corporate executives to offer for public office? It is not all about entitlements at the end of the day; however, it is important.

Leave a law practice for fifteen (15) years and return. This applies to most, if not all gainfully employed individuals. It took me five (5) years to actually establish a full practice of law. There is a subliminal theme or belief that former politicians are not that bright. Those that knew you well no longer are interested.

As the Chairperson of a Campaign Search Committee, I can tell you it is a real challenge to attract good qualified candidates. There will always be candidates and some will be elected; however, in the end will it be public servants dictating policy initiatives and legislation or your publicly elected officials.

MLA – CABINET MINISTER – PENSION 1993

The pension established during the fifteen years I was in office was determined by individuals such as Andrew MacKay, President of Dalhousie, former Speaker George Mitchell, former Attorney General Allan Sullivan, lawyer George White et al. I don't recall exactly the research that was completed; however, Provincial comparisons, a percent of salary averaged over three (3) years and length of service weighed quite heavily I believe.

Most, if not all of my colleagues at the time relied on their established pension, so much so, many including myself ceased to contribute to the RRSP as far back as 1983. My retirement was planned around the pension plan as was many others.

THE FUTURE AND PENSIONS

Today, pensions for elected office holders is right up there with executive bonuses when it comes to controversy. The public appetite for understanding this so called largess is at the moment not there for the ordinary person. The same distain is not there for pensions for deputies, senior public servants within the province, many who do not serve the length of time as some politicians. I don't see the same for the federal politicians whose salaries and pensions far outweigh those of the provinces.

Alternatives:

1. Establish the mandatory time to be served to be eligible for a pension. Determine the percent of the salary commensurate with the time served, maximizing at the end of fifteen (15) years.
   Tie MLA salary & consequential pension to the average Director level in the Public Service.
   Tie the Cabinet Minister's salary and consequential pension to that of the average Executive Director in the Public Service.
   The Premier's salary & pension could be attached to the average Deputy salary in the Public Service.
   All pensions must be indexed and medical benefits should include dental.

2. Future pensions for MLA's and Minister's could be replaced with some form of RRSP or program.

Attaching the politician's remuneration and retirement package to a tangible set of salaries and pensions will provide consistency, negotiated settlements in a way, outside of the political arena and will eliminate the annual or intermittent public debate. Transparency will happen through the supplement to the Public Accounts annually.

Finally, I have been out of elected office for eighteen (18) years and I am continually asked to assist individuals. This is not unique. All former politicians are sought out, whether it be for volunteer service, letter writing or representing some cause. No one complains, in fact, for many it is an imbedded characteristic resulting from public service.

Thank you for this opportunity.

Presentation to the MLA Pension Review Panel

Good Morning Hon. Gruchy, Mr. Morash and Mr. Smith

It is a privilege to appear before you this morning and I thank you for the opportunity.

I am here today representing not only myself but my mother Mary Catherine MacDonald who received a letter advising her of the panel and its mandate. She received the letter and was invited to make a submission as she is a recipient of Survivors of Pensioners benefits. She receives these benefits as the widow of Michael J. MacDonald, my father. In many ways I also feel that I am representing my father here today as well. He appeared before a similar MLA pension review panel in 1992 and I accompanied him at that time. Although now deceased for fourteen years, I know if he were alive today he himself would be here to speak to you. So as his daughter, I felt an obligation to request an opportunity to present what I know full well would be his views, as well as mine, on the matter before you.

My father was a Member of the Legislative Assembly for 18 years from 1945 to 1963. He represented Cape Breton Center during that tenure in public office as a member of the Co-operative Commonwealth Federation-the precursor to the New Democratic Party. He served as leader of the CCF from 1953 to 1963. For most of those years, neither position was a highly salaried position, so in order to support his family he also had a full time job as a union representative for the Retail Wholesale and Department Store Union. If that sounds as though my father held three jobs at one time that is because that was indeed the case.

My father's life as a public servant gave a very different meaning to the words "public service" as dedication to society and its public was the motivation for his work and not remuneration. I hasten to add that all members of the House of Assembly-his colleagues- served under similar circumstances, not just my father. Much can be learned from this history as to the dedicated, selfless public service that they were all called to-namely the public good and making a difference in our collective social fabric. Many benefits in our social safety net currently afforded deserving citizens were crafted by those politicians who worked for the public good and not for an attractive pay check. When their work was deemed worthy of a salary it was indeed a mere pittance relative to the demands of the profession.

There are two main points I wish to make during my presentation today. The first point is to ask that you protect the benefits of those individuals currently in receipt of the Members Retiring Allowance Plan and those receiving Survivor Benefits, such as my mother, as an act symbolizing the value of public service as an elected representative and simply because it is the right thing to do. My second point is to consider increasing the benefits to reflect best practice in other public sector pension funds.

In speaking to my first point I refer to your first term of reference which states:

1. As a retirement plan is important to a person considering whether to enter the political arena it is essential that a panel shall conduct a full review of the pension plan and to make recommendations arising from such review publically available.

It is my contention that public service today, in the form of our elected representatives, needs to attract the best possible people to serve society. Now, more than ever, as our society becomes increasingly complex, there is a need-indeed a responsibility-to attract persons of high calibre from a broad range of professions. It is also my contention that in 2011, remuneration, including pension packages, must be of such a standard as to be not seen as an impediment to a person interested in becoming a Member of the Legislative Assembly. This is not the forum for lengthy discourse on the role altruism plays in attracting persons to run for public office in 2011, as opposed to during my father's era. Suffice it to say that I fear there would be few takers if the terms of employment for being an MLA included the position being non- salaried. I therefore respectfully request that you consider this as you deliberate on the submissions you have heard during the course of your mandate as a review panel. Great sacrifices are made by those offering to serve as elected representatives. Never has the phrase 24/7 been more applicable to any job as that of an MLA. I can personally attest to this as I reflect on my father's eighteen years of service to his constituents in Cape Breton Center and the province as a whole. No family dinner was complete without my father leaving the table to answer the telephone to respond to a person in need.

I have been actively involved in campaign schools whose objective is to both attract and prepare prospective candidates for public office. There are many impediments that are identified as obstacles that have the potential to dissuade the most motivated person from entering the political arena. Examples of such impediments are the afore mentioned constant availability-as rarely is the job restricted to constituency office hours- the impact on family life, loss of privacy and most especially the general public's jaundiced view of politicians. In light of such challenges to entering public life, we, as a society, need not add less than reasonable compensation and benefits to the list. It is critical that serving in public office not be seen as a burden but a profession deserving of not exceptional but comparable monetary compensation. In an ideal world, public office would be seen as the privilege it is- that of giving voice to a democracy's citizens and having that voice both inform and create public policy and law. Alas, it is not an ideal world, and compensation and security play a significant role in determining one's choice to enter political life.

My second point-considering an increase in the benefits currently paid to reflect best practice in the public sector-is not intended as a detailed analysis of the benefit rate as it currently stands. It is, however, a call to review sections such as the cost of living allowance. We are all aware of the current increase in the cost of living that shows no hint of abating. We are barraged daily with dire predictions of future increases in basic living expenditures from food to utility costs. Without adequate protection by a truly reflective cost of living allowance, current pensions are rendered less and less valuable given the increasing demand on every single dollar caused by inflation. Personally, I have seen an example of this as I read the letters notifying my mother of the annual increase in her survivors benefit that amounted to mere dollars and not adequate to compensate for her real increases in daily living costs.

Pension plans are under attack in public sector as a means of dealing with the reality of huge government deficits. Pension recipients are tax payers and consumers-a boost and not a drag on the economy. Money in their pockets is money spent and circulated throughout our local economies. Research indicates that a dollar spent locally in a community circulates at least five times adding value to

the community within which it circulates. So both protecting and improving the MLA pension plan is not only the right thing to do but also makes sound economic sense.

In closing it behoves me to publically state my gratitude and the gratitude of my mother for the resources she receives by virtue of the Survivors of Pensioners benefit. I dare say my father, were he able to be here today, and would express that same gratitude to the Province and the tax payers of Nova Scotia. I am also confident that he would express the opinions respectfully presented today for your consideration as you undertake your deliberations and ultimately make recommendations to the House of Assembly as is your mandate.

My intention here today as I speak to you is not to convey an economic analysis of pension plans as I am certain people far more skilled in such matters than I have already done. Rather it is a presentation of moral suasion, inviting you as panel members to consider the past and present demands placed on those who hold public office as elected officials. Maintaining and or increasing the current package will be an act of courage in these economic times when the public has little appetite for expenditure of their tax dollars on things seen to be superfluous. I suggest to you that such expenditures would be both an historic acknowledgment of public service rendered as well as an incentive to continue to attract high calibre individuals whom we will want at the helm making decisions that affect all of our futures.

I thank you for the opportunity to present to you today as well as for your attention and wish you well in the next phase of your work as a panel.

Respectfully submitted by:

Barbara L. MacDonald M.Ad. Ed.

September 15 2011

Appendix F List of Presenters to the Pension Review Panel

Andrew Younger, Liberal MLA, Dartmouth East

Michel Samson, Liberal MLA, Richmond

Art Donahoe, Q.C., retired MLA

Bernie Boudreau, Q.C., retired MLA

Manning MacDonald, Liberal MLA, Cape Breton South

David Morse, retired MLA

Diana Whalen, Liberal MLA, Halifax Clayton Park

John Leefe, retired MLA

Barbara L. MacDonald, daughter of deceased retired MLA Michael J. MacDonald

Tom McInnis, retired MLA

Appendix G

Material to the Pension Review Panel from the Nova Scotia Pension Agency

Pages G-1 to G-10

1-800-774-5070 toll free in NS
(902) 424-3746 local
(902) 424-4539 fax
novascotiapension.ca

nspa Nova Scotia Pension Agency

MEMORANDUM

To: Nova Scotia MLA Pension Review Panel

CC: Honourable Gordon Gosse

FROM: Steven Wolff

DATE: June 7, 2011

SUBJECT: Pension Benefits for Members of the Legislative Assembly

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Structure and Governance:

Pension benefits for Members of the Legislative Assembly are provided under the *Members' Retiring Allowances Act* (the "Act") and Regulations made thereunder.

Benefits are paid from two separate Plans: a Registered Plan (the Members' Retiring Allowances Plan) and a Non-Registered Plan (the Members' Supplementary Retiring Allowances Plan).

Two separate accounts are maintained within the Province's General Revenue Fund to make payments to Members under these Plans. The Members' Retiring Allowances Account pays the portion of the total benefit up to the maximum permissible under the ITA (i.e. the maximum that can be paid by the Registered Plan), while the Members' Supplementary Retiring Allowances Account pays the portion of the total benefit in excess of the maximum that can be paid by the Registered Plan.

The Act does not specify a trustee; however, the Minister of Finance has responsibility for Plan finances and related administration. The Nova Scotia Pension Agency (the "Agency") administers the Plans on behalf of the government.

Benefits:

The current accrual rate for the total benefit is 5.0% for every year of service, to a maximum of 15 years. This is the highest accrual rate in the country.

Members may retire with an unreduced pension as early as age 55 if they have at least five years of service and have served in at least two General Assemblies. Only two other jurisdictions (that offer defined benefit pension plans for elected officials) have early retirement provisions as generous as Nova Scotia.

As a result of changes to the Act made under the *Financial Measures (2010) Act*, commencing January 1, 2011, indexing is linked to the rate of indexing credited to pensions under the *Public Service Superannuation Act*. The impact on the Plans' liabilities, which includes a small amount attributable to the elimination of future indexing in the deferral period, was a reduction of $13 million as at March 31, 2011. The current service cost (i.e. the annual cost of benefits earned) will also decline by approximately $600,000 as a result of the change.

Also as a result of changes to the Act made under the *Financial Measures (2010) Act*, the benefit payable to the surviving spouse of a person who first becomes a Member on or after April 6, 2010 will be 60% of the Member's benefit. There will be no immediate impact on the Plans' liabilities or current service cost as a result of this change. Savings will be realized only when new Members are elected, although the impact will be gradual and not significant.

Limitations on Benefits under the Income Tax Act:

Under the Act, a total benefit is prescribed. The Income Tax Act (the "ITA") places certain restrictions on the amount of benefit that can be paid from a defined benefit Registered Pension Plan ("RPP"). The total benefit payable under the Act exceeds the relevant ITA maximum in the following areas:

1. The accrual rate under the Act is 5.0%. The maximum accrual rate for a defined benefit RPP under the ITA is 2.0%.

2. Members may retire with an unreduced pension as early as age 55 if they have at least five years of service (and have served in at least two General Assemblies). Under the ITA, a member of a defined benefit RPP must satisfy one of the following conditions to qualify for an unreduced pension: (1) age 60, (2) 30 years of service, or (3) age plus years of service equal to at least 80.

3. Members may retire with a reduced pension as early as age 45 if they have at least five years of service (and have served in at least two General Assemblies). The reduction is 0.5% reduction for every month they are short of age 55, with a maximum total reduction of 50%. In certain situations, this may not be in accordance with the ITA.

Cost of the Plan:

Member contribution rates are the second highest in the country at 10%. In fiscal year 2009-10, Members' contributions totalled $508,500, which represented 34.1% of the current service cost for the Registered Plan, which was $1.491 million.

Members do not contribute anything towards benefits payable under the Non-Registered Plan. In fiscal year 2009-10, the current service cost for the Non-Registered Plan was $2.471 million.

In fiscal year 2009-10, Members' contributions covered 12.8% of the total current service cost for the benefits they accrued during the year.

The portion of the current service cost not covered by Members' contributions must be covered by the Province. In 2009-10, this portion amounted to $3.5 million.

The cost to the Province also includes interest on the account balances (i.e. the liabilities under the accounts recorded on the Province's books). In 2009-10, interest on the account balances (as recorded on the Province's books, not the Plan's financial statements) amounted to $4.4 million.

There is an additional annual cost (gain) to the Province in the form of recognition of unamortized losses (gains) from prior years. In 2009-10, $1.3 million in net losses were amortized.

In 2009-10, the total cost to the Province attributable to the MLA Pension Plan, as incorporated in the Province's books, was $9.2 million. Note this does not reflect the impact of possible savings elsewhere as a result of the Province being able to use the Plan's assets for other purposes. Also note this cost will decline in future years as a result of the changes to the Act in 2010. The total cost to the Province in fiscal year 2011-12 is projected to be approximately $7 million.

Auditor General's Recommendation:

The current *Rates of Interest Regulations* under the Act were originally approved in 1956. They have been updated periodically since then, most recently in 1995.

The interest rate credited to the Accounts under the current regulations has remained at 8.5% since 1995. This does not match the rate used by the Province to measure the liabilities under the Accounts, which can vary from year to year. The Office of the Auditor General has recommended the Plan be amended to bring these rates into line.

Also under the current regulations, the interest rate charged on payments into the Accounts (e.g. a repayment of a refund of contributions) is 10% compounded semi-annually, while the interest rate credited on payments from the Accounts (e.g. a refund of contributions) is 4% compounded semi-annually. It has been suggested by the Agency that the rate charged on payments into the Accounts be changed to one based on the rate used to measure the Province's liability under the Accounts, and the rate credited on payments from the Accounts be changed to one based on the five year chartered bank rate. Both changes would bring these rates into line with those charged or credited under the Public Service Superannuation Plan and the Teachers' Pension Plan, as well as under the *Pension Benefits Act*.

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ELECTED OFFICIALS PENSION PLAN COMPARISON[1]

current for other provinces as at December 31, 2009

Jurisdiction	Contribution Rate	Total Accrual Rate	Reduction at age 65?	Earliest Retirement Age (unreduced)	Earliest Retirement Age (reduced)	Indexing	Spousal Benefit
Nova Scotia[3]	10%	5.0% (maximum 15 years)	no	age 55 with 5 years and 2 General Assemblies	age 45 with 5 years, 2 General Assemblies (6% reduction per year from 55, to a maximum of 50%)	same as PSSP (1.25% until 2016, at which point increases will be contingent)	66 2/3% (60% for Members first elected on or after April 6, 2010)
Newfoundland	9%	5.0% (first 10 years) 2.5% (next 10 years) (3.5% for maximum of 20 years if first elected after 2009)	0.6% of avg YMPE	60 points with 5 years and 2 General Assemblies (same as Nova Scotia if first elected after 2009)	age 50 (6% reduction per year from 55)	none	60%
New Brunswick	9%	4.5% (no maximum number of years)	no	age 60, 8 sessions	8 sessions, any age (5% reduction per year from 60)	full CPI; capped at 6%	50%
Prince Edward Island	8%	4.0% (no maximum number of years)	no	age 60 with 80 points (age 55 with 70 points for supplemental)	age 50 (3% reduction per year from EURD -reduction for supplemental is 6% per year from suppl. EURD)	CPI - 2%; capped at 8%	60%
Québec[2]	9%	4.0% (maximum 25 years)	no	age 60	no minimum age (1-3% reduction per year from 60)	50% of CPI or CPI - 3% (service after 1999)	60%
Ontario[4]							
Manitoba	7%	2.0% (maximum 35 years)	no	age 55 with 1 year	n/a	contingent; averages 2/3 of CPI	depends on option chosen
Saskatchewan	9%	n/a (DC plan)	n/a (DC plan)	age 50	n/a	n/a (DC plan)	depends on option chosen (DC balance if pre-retirement)
Alberta[4]							
British Columbia	11%	3.5% (maximum 20 years)	no	age 60 with 6 years	age 60 (3% per year from 65)	contingent (has averaged full CPI)	60% (CV or pension based on CV if MLA < 60)

Note:

1. For ease of comparison, certain details have been simplified or omitted. If more information is required, please contact the Nova Scotia Pension Agency. Details should not be communicated to external parties without first contacting the Nova Scotia Pension Agency.
2. Information current as at June 30, 2008 (Québec).
3. Nova Scotia's MLA plan was amended in 2010 under the Financial Measures (2010) Act. Three changes were made: (1) indexing for pensions in pay modified to align with indexing under the Public Service Superannuation Act, (2) future indexing in the deferral period eliminated for deferred pensions, and (3) spousal benefit reduced to 60% for Members first elected on or after April 6, 2010.
4. Ontario and Alberta did not provide authorization to release their information to the Panel; however, the Report of the MLA Pensions Review Panel for New Brunswick mentions that Ontario has a defined contribution plan and Alberta dropped pension coverage for MLAs in 1993.

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MEMORANDUM

To: Nova Scotia MLA Pension Review Panel

CC: Honourable Gordon Gosse

FROM: Steven Wolff

DATE: July 11, 2011

SUBJECT: Required changes to the Members' Retiring Allowances Act to comply with the Income Tax Act

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Please find attached two tables for your reference.

The first table (Appendix A) outlines the main changes to the *Members' Retiring Allowances Act* (the "Act") that are suggested for the registered plan to comply with the *Income Tax Act* (the "ITA") without changing the overall benefit from its current level.

In effect, the total benefit currently prescribed under Part I of the Act (i.e. the amount of pension and retirement eligibility rules) would move to Part II of the Act, and Part I would be amended to comply with ITA limits on benefits payable from defined benefit registered pension plans. Part II would also add a provision stating that the amount of the benefit payable under Part II (i.e. the total benefit) would be reduced by the amount of the benefit payable under Part I (i.e. the benefit payable from the registered plan), as well as a provision stating that survivor benefits and indexing would be on the same basis as in Part I.

These suggested changes would have the effect of enabling the registered plan to "stand alone", i.e. separate from the supplementary plan.

The second table (Appendix B) addresses the points raised by the Canada Revenue Agency (the "CRA") in their letter to Raye Billard dated January 5, 1998, on an item-by-item basis. The first column indicates the section of the Act or Regulations to which reference was made in the letter from the CRA. The second column indicates the comment made by the CRA in their letter. The third column indicates the Agency's suggestion of how to respond.

Please note this analysis has been prepared by the Agency in our capacity as administrator of the pension plans. We strongly recommend that before any changes to the plans are made, a legal review and independent actuarial review of the proposed changes should be conducted.

Appendix A

Required changes to Members' Retiring Allowances Act to comply with ITA without changing current total benefit[1]

ITA requirement for registered pension plans	Changes required to bring MRAA into compliance
The maximum accrual rate is 2.0%.	Subsections 12(1) and 12(2) should be amended to change "one-twentieth" to "one-fiftieth". Subsection 12(3) should be amended to change the accrual rate to two per cent. Part II of the Act should add a provision stating that the accrual rate on the total benefit is one-twentieth, as well as stating the average earnings to which the accrual rate applies. This could be accomplished by using the current wording of subsections 12(1)-(3).
Members may not retire with an unreduced pension benefit before the earliest of age 60, 30 years of service, or age plus years of service equal to at least 80.	Subsections 11(1) and 11(3) should be amended to change "the age of fifty-five years" to "either the age of sixty years or the age of fifty-five years and age plus years of service equal to at least eighty". Subsections 13(1) and 13(2) should be amended to change "fifty-five years of age" to "sixty years of age". Part II of the Act should add a provision stating that a member with at least five years of service during at least two General Assemblies may retire as early as age 55. This could be accomplished by using the current wording of subsection 11(3).
The required reduction to the pension benefit of a member who retires before qualifying for an unreduced pension is 0.25% for every year the member is retiring prior to the earliest of age 60, 30 years of service, or age plus years of service equal to at least 80.	Subsection 19(2) should be amended to change "the age of fifty-five years" to "the earlier of age sixty and age fifty-five with age plus years of service equal to at least eighty". Part II of the Act should add a provision stating that a member may retire as early as age 45 with a reduced pension, for which the reduction is calculated as 0.5% for every month the member is short of age 55, to a maximum total reduction of 50%. This could be accomplished by using the current wording of subsection 19(2).

Note:

1. To maintain the same overall benefit, Part II of the Act should also add a provision stating that the amount of the benefit payable under Part II is reduced by the amount of the benefit payable under Part I, as well as a provision to the effect that survivor benefits and indexing will be on the same basis as in Part I.

Appendix B

CRA's comments on Members' Retiring Allowances Act

MRAA provision	CRA's comment	Agency's recommendation
s.2A(2)(b) No allowance is payable on earnings that exceed the maximum earnings on which pension contributions are permitted under the ITA	The ITA does not make explicit reference to a maximum salary for contribution purposes	This clause should be deleted.
s.4(1) The Minister must match member contributions.	ITA s.147.2(2) places certain restrictions on employer contributions. In particular, contributions must be "eligible" contributions and must be pursuant to an actuarial recommendation that the contributions are required in order to ensure the plan has sufficient assets to pay benefits.	S.147.2(2) was written from the perspective of limiting the ability of private sector employers to tax-shelter income by making contributions to their pension plan, so this provision is not intended to limit the government's ability to make contributions to the pension plan. The Act can be reworded to comply without making any practical changes.
MRA R 89 – 9 The member contribution rate increased to 10%.	Under ITA Reg. 8503(4)(a), member contributions may not exceed 9% of earnings.	A waiver from this limit may be obtained under ITA Reg. 8503(5).
s.8(2) Members make contributions on their Executive Council salary (or similar top-ups, e.g. Speaker, Leader of the Opposition, etc.)	These contributions must be subject to s.147.2(4) of the ITA	It is likely only limits on contributions for pre-1990 service that caused the CRA concern. Pre-1990 service is no longer relevant for currently active members, so this subsection can be deleted.
s.9(2) MRA R 89-3 Members are/were permitted to make contributions on their Executive Council salary for service prior to 1990	Contributions for pre-1990 Executive Council service cannot be made after 1989.	This provision came from a recommendation contained in a Commission of Inquiry report back in 1989. The benefit for Executive Council service was improved and the contribution rate increased on a go-forward basis, so members were permitted to retroactively improve their benefit for pre-1990 service by paying the retroactive difference in contributions. This provision is no longer relevant, and does not need to be reflected in the MRAA anymore.

s.11(1)(a) and (3)(a) Members may retire with an unreduced benefit as early as age 55 with 5 years of service	Under ITA Reg. 8503(3)(c), if a pension commences before the earliest of age 60, 30 years of service, or age plus service = 80, it must be reduced by at least 0.25% for every month the member is retiring "early".	These provisions are clearly not in compliance with the ITA (although the first one only applies to members with no service after 1981, so it is no longer relevant). The MRAA should be amended accordingly so that the benefit payable from the registered plan complies with the ITA.
s.11(1)(b) and (3)(b) Members with at least 5 years of service who become totally disabled may retire with an unreduced benefit	If the member is totally and permanently disabled as defined under ITA Reg. 8500(1), the required reductions under ITA Reg. 8503(3)(c) do not apply.	A definition should be added to the MRAA to the effect that totally disabled means totally and permanently disabled as defined under the ITA.
s.12(1), (2), (3)(c) The accrual rate is 5.0% for every year of service.	Under ITA Reg. 8504(2), the accrual rate per year of service cannot exceed 2.0%, nor can the benefit payable upon retirement exceed the defined benefit limit for the year of pension commencement multiplied by the years of service.	S.12(1), (2) and (3)(c) of the MRAA should be amended to specify that the accrual rate (for the registered plan) will be 2.0%, and that the defined benefit cap under the ITA will apply. Part II of the MRAA should be amended to specify a total benefit payable to the member, with the amount payable under Part II reduced by whatever amount is payable under Part I, similar to how the benefit payable to a judge under the Provincial Court Act is reduced by the amount of benefit payable under the PSSA.
s.13(1)(c) Upon a member's death, a surviving spouse is entitled to receive 66 2/3% of the benefit the member had accrued (or was receiving) at that point. Reference is made to the benefit to which the member would have been entitled at age 55.	CRA is uncertain if this provision provides for deeming of service up to age 55.	The intent is not to deem service up to age 55. The provision was worded this way to ensure the spouse would receive 66 2/3% of the unreduced benefit the member had accrued; however, it is somewhat ambiguous, so it should be reworded for greater clarity.
s.13(1)(e) If a member dies and there is no surviving spouse or eligible children, an eligible dependent receives 50% of the member's benefit for life.	Under the definition of eligible survivor period in ITA Reg. 8500(1), the benefit can be paid to a dependent only as long as the dependent is infirm.	The PSSA does not make this distinction; however, the TPP regulations do. The MRAA should be amended to make the same distinction.

s.14(e) If a member who has served in at least 2 General Assemblies becomes totally disabled or dies before serving for 5 years, the service is bumped up to 5 years for purposes of calculating the disability or survivor benefit	Deeming of service is permissible for a disabled member if they satisfy the ITA definition of totally and permanently disabled – see above. In the case of pre-retirement deaths, there is a cap on survivor benefits under ITA Reg. 8503(2)(e), i.e. the survivor benefit cannot exceed the YMPE in the year of death.	The cap is sufficiently high that it will never come into play. No change is required.
s.19(1)(i) The Governor in Council may make regulations recognizing institutions as educational institutions for purposes of the Act.	The CRA commented that service with an educational institution is not eligible service under the Act.	Educational institutions are relevant under the MRAA solely to determine if a child continues to satisfy the eligibility criteria for a survivor pension. No change is required.
s.19(2) Members may retire as early as age 45 with a reduced pension, for which the reduction is calculated as 0.5% for every month the member is short of age 55, to a maximum total reduction of 50%.	The reduction must comply with the reduction prescribed by ITA Reg. 8503(3)(c).	In some cases, the reduction under the MRAA will not be sufficient to comply with the minimum reduction under the ITA. Therefore, the MRAA should be amended so that the reduction under the registered plan is in accordance with the ITA.
There is no definition for "spouse".	A definition for spouse is required.	A definition for spouse should be added.
There is no definition for "pensionable service".	A definition for pensionable service is required.	The term "pensionable service" is not used anywhere in the MRAA. What is probably needed is a statement to the effect that a member shall be credited with service for pension calculation purposes upon paying the required contributions for that period of service.
There is no definition for "pensionable earnings".	A definition for pensionable earnings is required.	The MRAA uses the terms "annual indemnity" and "annual salary". Those terms are defined. Therefore, there is no need to add a definition for pensionable earnings.
There is no statement to the effect that a member's rights under the plan cannot be assigned.	ITA Reg. 8502(f) does not allow a member's rights under the plan to be assigned, charged, anticipated, given as security, or surrendered, except under certain conditions.	The PSSP and TPP both have provisions that make reference to the rules under ITA Reg. 8502(f). The MRAA should add a similar provision.

NS Reg. 15(84) – Remuneration of Elected Provincial Officials Regulations These regulations gave former members as at January 1, 1982, who had not yet retired or taken a refund, the right to retire under the new pension rules introduced at that point (i.e. age 55 with 5 years of service)	The regulations do not make reference to the required reduction under ITA Reg. 8503(3)(c), nor to the ITA requirement for "totally and permanently disabled", nor to the fact that the pension payments must be periodic, i.e. no retroactive lump sum amount.	Anybody who was able to retire under these regulations would have retired by now. Therefore, they are no longer needed for anything other than historical purposes.
NS Reg. 28/93 – Cost of Living Regulations	The reduction under Schedule "A" must comply with ITA Reg. 8503(3)(c).	These regulations were repealed last year.
NS Reg. 109/80 – Public Service Allowance Regulations	The CRA asked for clarification regarding the reference to s.7(1) of the MRAA, noted that eligibility for membership had been opened up to other elected officials, and expressed concern that some members might be able to purchase credit for service they already have with another plan.	There is no reference to s.7(1) in the current version of these regulations. These regulations did not open up eligibility for membership to other elected officials – they simply said prior service in certain other elected positions could be purchased. The possibility of a member purchasing credit for a period of service for which they already have credit under another plan is a potential issue for every pension plan. None of the Province's other plans deal with this issue in legislation. This issue is generally addressed in plan procedures. No change is required.